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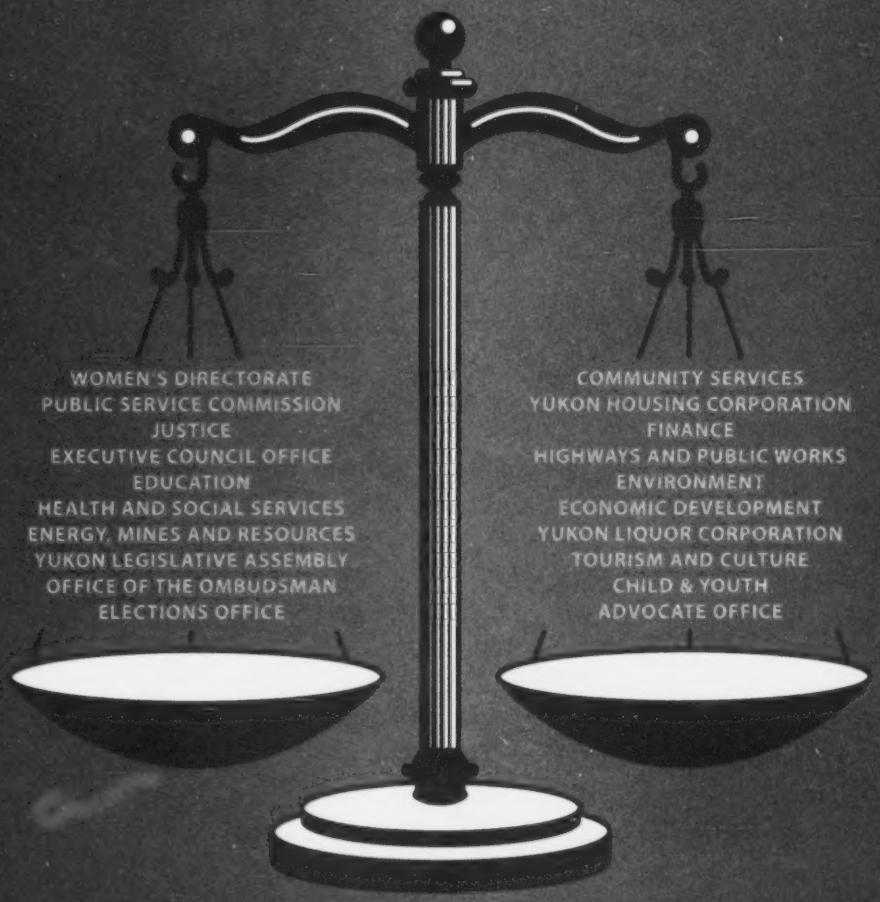
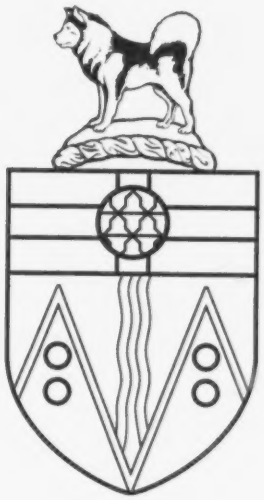


Budget Address

Yukon
Finance



Budget Address
2011 - 2012

presented by

Premier

Dennis Fentie

First session of the Thirty-Second
Yukon Legislative Assembly

Whitehorse, Yukon
February 3, 2011

Mr. Speaker, Honourable Members, it is my honour and privilege today to table the 2011-2012 Budget, a surplus budget, Mr. Speaker, the fifth budget of our second mandate and our ninth budget overall since our government was first elected in 2002.

The eight budgets we tabled previously were the building blocks of Yukon's future.

The 2011-2012 Budget will continue this trend. Our budgets have clearly put Yukon on the pathway to prosperity.

The Government of Yukon's Budget for 2011-2012 is $1billion and $89.580 million.

The Operations and Maintenance Budget totals $851.863 million, of which $93.916 million is recoverable.

The Capital Budget is $237.717 million, of which $143.020 million is recoverable.

It is interesting to note that our first budget, the 2003-2004 Budget was only $550 million.

This is our third budget that exceeds the $1 billion dollar threshold.

We have utilized our previous budgets to help stimulate Yukon's private sector economy. The 2011-2012 Budget will be no exception.

That strategy has worked extremely well.

Mr. Speaker, despite this obvious success, our government has been criticized for utilizing our budgets in this way.

Our critics would not and do not support the Yukon government using its "savings account" to help create economic growth in the private sector.

They argue that the Yukon government and the Yukon economy are too dependent upon transfer payments from the federal government.

Our critics are wrong.

First of all, the territory is only receiving its fair share of federal transfer payments under the Territorial Formula Funding Agreement based upon the fundamental premise of comparable levels of service for comparable levels of taxation.

Secondly, using our "savings account" to leverage the Government of Canada's stimulus spending programs to provide necessary and much-needed infrastructure while stimulating the economy only made sense.

What is the point of having a "savings account" if you can't use it in a time of need?

Our government reviewed our strategic capital investment plan with the priority objective of delivering maximum benefit to Yukon and we succeeded.

Our critics fail to recognize that the territory's private sector is fast approaching parity with government in contributing to the growth of the Yukon economy. In 2010, that contribution is over $800 million for mining alone.

Mr. Speaker, our critics need not fear Yukon's financial position.

The 2011-2012 Budget replenishes the Yukon government's savings account by providing a surplus of $38.456 million with net financial resources at year-end of $43.137 million.

Mr. Speaker, this is a budget where our revenues exceed our expenditures. This budget shows a balance between a whole range of competing priorities. Further, this budget, like our previous budget now includes a Multi-Year Capital Plan.

This plan identifies our commitment to stable predictable investments in key sectors of our economy that enable Yukon's private sector contractors to plan accordingly.

We are committed to a three year plan of core expenditures concerning Information Technology of $6.5 million, and Capital Building Maintenance of $12 million. In addition, $41.921 million is being provided for Land Development and a minimum of $46.663 million for Highways and Airports.

Mr. Speaker, in considering Yukon's healthy financial position, one must also consider the fact that the Yukon is only one of two jurisdictions in Canada – the other being Alberta – that has the fiscal resources available to finance future government operations without creating a net debt.

The 2011-2012 surplus Budget is also in keeping with Canada's national strategy whereby the federal government and all provincial and territorial governments are being urged to return to surplus budgets as soon as possible. With this Budget, Yukon has already met this commitment.

If this isn't good, prudent financial management, I don't know what is.

Mr. Speaker, as this is the last budget of our current mandate, it is time to take stock, to reflect on from whence we came, where we are at today and where we are headed in the future.

WHERE WE WERE IN 2002

Mr. Speaker, in 2002 when our government first took office, the Yukon had experienced seven years of economic recession.

Yukon's population had been in decline for six consecutive years following the closure of the Faro mine in 1997.

Yukon's unemployment rate was in the double digit range of over 10% for years.

Tourism was Yukon's number one industry.

Yukon's mining industry was almost defunct. Annual mining exploration and development spending in the territory was less than $10 million.

There were several major factors causing this decline irrespective of world mineral prices.

There was a lack of investor confidence in Yukon's mining industry due in large measure to an improper balance in government policy, regulation and legislation between the economy and the environment.

Unsettled land claims, a cumbersome time consuming, Ottawa-based permitting regime and implementation of policies such as the Yukon Protected Areas Strategy at the territorial level and placer mining policies at the federal level impeded Yukon's mining and other resource industries.

One of our government's first actions in January of 2003 was to discontinue the seriously flawed Yukon Protected Areas Strategy that was being implemented in competition with the processes established in the Umbrella Final Agreement for creating parks, habitat protection areas and Special Management Areas.

We also had to address the conflicts created by previous governments in relation to mining

claims in the establishment of Tombstone and Fishing Branch territorial parks.

Mr. Speaker, there is an old adage that if you don't learn from history you are destined to repeat history.

This is why our government is taking a systematic, balanced and reasoned approach to land use planning in the Peel River area, following the processes set out in the Umbrella Final Agreement.

Achieving a proper balance between the economy and the environment is as important today as it was in 2002. It is interesting to note here that our government is the only government to achieve a land use plan, the North Yukon Land Use Plan of 2009, since the Umbrella Final Agreement was ratified in 1993. Our government succeeded where all previous governments failed.

The seven years of economic decline exacted a heavy toll on Yukoners.

In some instances, the actions of previous governments made the situation worse by reducing services.

For example, the Cross Roads Detoxification Centre was closed and under Government Renewal the Women's Directorate lost its stand-alone status, the Department of Tourism was combined with Small Business, and the Department of Economic Development was disbanded. The Community Development Fund (CDF) was also pared down.

The bulk of the 2,800 Yukoners who left the territory between 1995 and 2002 were in the 25 to 34 age group which was our prime labour force. Our children had to leave the territory to find work outside.

This was the legacy left to us by previous Yukon governments since the Yukon Party government was last in office from 1992 to 1996 when the economy was prospering.

Accordingly, rebuilding Yukon's private sector economy was job one for our government in 2002.

We more than succeeded in that task in our first mandate from 2002 to 2006.

Mr. Speaker, our government is now approaching the end of its second mandate that commenced in 2006 and runs until October of 2011.

The 2011-2012 Budget is our final budget for this mandate.

Comparing where Yukon was in 2002 to where Yukon is sitting for the period ending December of 2010 is like comparing night and day.

PROMOTING A STRONG, DIVERSIFIED PRIVATE-SECTOR ECONOMY

Mr. Speaker, our government succeeded in turning Yukon's economy around from being one of the weakest economies in 2002 to the best economy in Canada today.

In a recent survey by the Fraser Institute, they discovered that in the opinion of senior mining executives from around the globe Yukon is the 4th in the world as far as being a good place to invest.

The survey looked at everything from regulatory duplication to uncertainty over taxation regimes.

In the opinion of over 400 companies doing business around the world, Yukon ranked 4th out of 51 jurisdictions.

Back in 2002, Yukon was ranked 36th out of 45.

One of our first challenges was to create a stable political, economic and regulatory environment.

The settlement of three more land claims and promoting Yukon's First Nations as full partners in the economic development of the territory contributed to this economic turn around.

We promoted a positive investment climate by providing favorable taxation, business incentive programs and royalty regimes.

Last fall, we amended the *Income Tax Act* so that the corporate income tax small business deduction limit was increased from $400,000 to $500,000 which means small business corporations in Yukon will be paying less taxes in 2011.

Our individual and small business tax rates are some of the lowest in the country and we have neither territorial sales tax nor any payroll taxes.

We also have the lowest fuel taxes by far in Canada. Compared to British Columbia our tax rate on gasoline is 67% lower and on diesel is 64% lower.

We streamlined regulatory processes and supportive legislation together with establishing a system of integrated resource management.

During the period of global economic uncertainty, we focused our efforts on diversification by promoting natural resource development, tourism, trade, arts and culture, film and sound, research and development, information technology, agriculture, forestry, manufacturing, trapping and outfitting and small business diversity.

Mr. Speaker, there is economic strength in diversity.

We invested heavily in transportation, energy, communications, and Information Technology as well as in the Innovation and Knowledge sectors; the Shakwak Project, Mayo B, the new Mobile Communications Solution (MoCS), the Yukon Climate Change Research Centre of Excellence and the Cold Climate Innovation Centre come readily to mind.

Yukon has well-maintained highways, resource roads, bridges, airports, access to ports and expanding energy and communication networks.

In this budget, we are investing $38.58 million for a variety of work on the Alaska Highway, Klondike Highway, Dempster Highway, Atlin Road and other territorial roads including $4.43 million for bridge work.

In 2010, our government marked the opening of the Erik Nielsen Whitehorse International Airport Terminal Building.

This expansion ensures that Yukon can continue to receive direct international flights such as Condor Airlines as well as attract additional international air carriers such as Edelweiss Air who are working to initiate a new direct service to Whitehorse from Zurich, Switzerland beginning this summer.

The 2011-12 Budget includes $2.990 million for more improvements to Yukon's airports.

Our government invested heavily in tourism marketing such as the 2007 "Look Up North" marketing campaign and the 2010 "Pan-North Marketing Consortium Olympic Marketing Initiative".

"Destination Yukon" builds on this momentum and the awareness generated by Yukon's participation and targets the gateway cities of Edmonton, Calgary and Vancouver with an eye on Toronto for larger campaigns.

We also are continuing our investment in the Tourism Cooperative Marketing Fund that has helped further increase awareness of the Yukon as a travel destination.

The 2011-2012 Budget is providing $750,000 and $700,000 respectively to these two marketing initiatives.

Our government has also invested heavily in tourism, arts and cultural infrastructure over the years: the Old Firehall and Round House on the Whitehorse Waterfront, the Pacific Steam Whaling Company community house on Herschel Island and work at Forty Mile not to mention the official designation of Fort Selkirk and the A.J. Goddard as Yukon Historic Sites.

The 2011-2012 Budget will see more major investments in this regard: $4.523 million for the Champagne and Aishihik First Nations Cultural Centre with a total cost of $12 million, a $916,000 contribution for the Kluane First Nation Cultural Centre, and $1.5 million for the $22.4 million Kwanlin Dun Cultural Centre together with the Whitehorse Public Library.

In addition, $4.827 million is being invested in the Whitehorse Waterfront Project together with $1.037 million for the Carcross Waterfront Project.

Our government's continued marketing initiatives in China have led to the development of a sister-province relationship with Shaanxi Province and the purchase of Yukon Zinc's Wolverine Project by two Chinese companies.

In addition, a Chinese zinc and lead producer, Yunnan Chihong Zinc and Germanium Co., Ltd. has established a joint venture with Selwyn Resources to advance Yukon's Selwyn project, one of the largest underdeveloped zinc and lead deposits in the world.

A growing economy requires developed land.

Our government invested $15.1 million territorial-wide in residential, commercial and industrial land development in our 2010-2011 Budget and in 2011-2012 we are almost tripling that amount to $41.921 million.

WHERE WE ARE TODAY ENDING 2010

Mr. Speaker, this brings us to where we are today for the period ending in 2010.

Yukon's economic growth or Gross Domestic Product (GDP) of 3.9% was the strongest in Canada in 2009 and Yukon was one of only two Canadian jurisdictions along with Manitoba (0.05%) that registered growth. This was the fifth time in the last six years that real GDP growth rate in Yukon was higher than the national growth rate.

Yukon's population in 2010 is estimated to be 34,500. Our skilled labour force and our children who were forced to leave the territory are returning.

June 2010 marked the seventh consecutive June which recorded an increase in population.

As of December 2010, Yukon's unemployment rate of 4.4% was the lowest in the country.

Mining exploration expenditures in 2010 are expected to exceed the 2007 record of $140 million by about $10 million whereas the value of mineral production for 2010 is expected to total $260 million.

By April of this year, there will be three operating mines in the Yukon: Capstone's Copper-Gold Mine at Minto; Alexco's Bellekeno Silver, Lead, Zinc Mine at Keno; and Yukon Zinc Corporation's Zinc-Silver Wolverine Mine near Ross River.

Three more mines are in the permitting stage; Victoria Gold's Eagle Gold property near Mayo, North American Tungsten Corporation's Mactung Mine north of Watson Lake and Selwyn Chihong's massive zinc, lead deposit at Howard's Pass in eastern Yukon on the Yukon-NWT border.

In addition, new discoveries such as White Gold and Rau greatly influenced exploration activity in 2010 and undoubtedly will continue in 2011.

Mr. Speaker, the last time Yukon had three operating mines was in the hey-days of the 1970's.

We are going back to the future.

Tourism, Yukon's other economic mainstay, while facing its share of challenges in 2010, has fared relatively well.

Year-to-date figures for border crossings show an increase of 10% marking eleven consecutive months of growth in border crossings to Yukon.

Compared to other jurisdictions across Canada, Yukon continues to lead the country when it comes to visitations.

The territory was not significantly impacted by the global economic recession and in fact has benefited from the increased capital spending by the Governments of Yukon and Canada in construction projects initiated in 2009 in response to the global economic downturn which took hold in late 2008.

Mr. Speaker, Yukon is the best place in Canada to live today.

This is the economic legacy our government is leaving for the next Yukon government.

WHERE WE ARE HEADED – 2011 TO 2012

Mr. Speaker, the 2011-2012 Budget, like its predecessors, is based upon three other pillars in addition to "Promoting a Strong, Diversified Private-Sector Economy":

(1) Practicing Good Government;

(2) Protecting and Preserving Our Environment and Wildlife; and

(3) Achieving a Better Quality of Life

PRACTICING GOOD GOVERNMENT

Mr. Speaker, practicing good government is a hallmark of our government especially in relation to the prudent fiscal management of the territory's financial resources. In my opening remarks, I noted how well off the Yukon is in this regard when compared to any other jurisdiction in Canada. To do all that we have done and still have a healthy surplus budget for 2011-2012 and no net debt forecasted for future years is a major accomplishment. I want to thank all our officials who have worked so hard to make this possible.

Other major "good government" initiatives undertaken by the Yukon Party government since 2002 cover the entire spectrum of government services in relation to education, justice, the environment, energy, health and social services and the economy.

The Education Reform Project Final Report of February 2008 has led to the development of a new vision for education in Yukon, entitled "New Horizons: Honouring Our Commitment to the Future."

The Corrections Consultation that commenced in November of 2004 and concluded in March 2006 has resulted in a new philosophy of corrections that emphasizes the protection of the public, holds offenders accountable and provides appropriate opportunities for rehabilitation and is reflected in the new *Corrections Act* and all our new facilities.

The Corrections Consultation has also led to the development of the Victims of Crime Strategy and the development of the *Victims of Crime Act.*

The Yukon Substance Abuse Action Plan outlined in our 2006 Election Platform has four strategic directions, namely:

(1) Harm Reduction;

(2) Prevention and Education;

(3) Treatment; and

(4) Enforcement.

As a consequence of this plan, Yukon is a recognized leader when it comes to dealing with Fetal Alcohol Spectrum Disorder (FASD).

The Safer Communities and Neighbourhoods Office (SCAN) and the Street Crime Reduction Team which has now been incorporated into the overall police services agreement, are two initiatives emanating from the Substance Abuse Action Plan.

On September 5, 2006, our government released the Government of Yukon Climate Change Strategy that was followed on February 12, 2009, by our Climate Change Action Plan.

One of the key actions outlined in this plan as well as in our 2006 Election Platform was to establish a Yukon Climate Change Research Centre of Excellence at Yukon College which opened its doors on October 21, 2009.

At the same time, our government developed the Energy Strategy for Yukon in concert with the Climate Change Action Plan.

The Energy Strategy for Yukon was released on January 23, 2009.

A major commitment was the development of a territorial-wide electrical grid and our government was fortunate to have the first project approved under the Government of Canada's Green Infrastructure Fund.

The Government of Canada is contributing up to $71 million of this $160 million project for the Carmacks to Stewart transmission line connecting the Whitehorse-Aishihik-Faro (WAF) grid to the Mayo-Dawson grid and upgrading the Mayo Dam known as Mayo B.

The project is currently on time and on budget.

On November 5, 2009, our government tabled the Yukon Solid Waste Action Plan in this House, setting out how to improve our infrastructure and services for sustainable waste management.

In April of 2008, our government established another major review, the Yukon Health Care Review, which examined the sustainability of Yukon's health care system over the next decade.

The Yukon Health Care Review Final Report was completed in September 2008 and our government is acting on its recommendations.

One of the actions for change emanating from the Health Care Review was to develop a Wellness Strategy focusing on children and youth, healthy aging, and social inclusion. This work is now underway.

The investment in Social Inclusion initiatives, which improve the wellbeing of Yukoners, has been a focus of our government over the past nine years.

Some of the highlights of government accomplishments in this regard include the following:

- Increased social assistance rates by more than 25% in 2008;
- Doubled and indexed the Yukon Seniors Income Supplement;
- Increased and indexed the Pioneer Utility Grant;
- Increased Child Care Subsidies;
- Increased the Yukon Child Benefit;
- Increased and indexed rates paid to foster parents who are caring for Yukon foster children;
- Constructed a 32-unit $8 million complex in Riverdale for single parent families;
- Built a new Habitat for Humanity triplex on the site of the infamous 810 Wheeler;
- Doubled the Prevention of Violence Against Aboriginal Women Fund from $100,000 to $200,000; and
- Building the $12 million new seniors' complex on the Whitehorse Waterfront replacing the Alexander Street seniors' apartments.

Mr. Speaker, these are just a few accomplishments on the social side of our government's agenda.

There are over one hundred more. No previous Yukon government has allocated so many resources, time and effort in working to improve the quality of life of Yukoners.

But we know there are still areas where Yukoners could use more assistance. The work underway currently on the Social Inclusion Strategy will highlight the priorities for future investments.

The Social Inclusion Strategy will be one of the most significant policy initiatives in the history of the Yukon government that will include a broad range of initiatives focused on poverty reduction, access to housing, education, health and social services and other services.

Another hallmark of good government is cooperative governance and once again our government has excelled in this regard.

Under our watch since 2002, the Kluane First Nation, the Kwanlin Dun First Nation and the Carcross/Tagish First Nation all reached final agreements.

Our government-to-government relationship with Yukon First Nations is based on mutual respect of our respective jurisdictions, including the three First Nations who have not settled their claims, and has produced positive results, namely:

(1) the re-establishment of the Intergovernmental Forum involving the Governments of Canada, Yukon and all fourteen Yukon First Nations;

(2) the creation of the Yukon Forum involving the Government of Yukon and all fourteen Yukon First Nations to discuss matters of mutual interest and common good;

(3) the allocation of various federal funding programs such as the $50 million Northern Housing Trust; the $40 million Northern Strategy Fund, and the $27 million Strategic Investments in Northern Economic Development (SINED);

(4) Yukon government support for new self-government Financial Transfer Agreements with the Government of Canada that resulted in a $10 million increase; and

(5) The showcasing of Yukon First Nations culture at both the 2007 Canada Winter Games and the Vancouver 2010 Olympics.

Unlike previous Yukon governments we adopted a pan-northern approach with our two sister territories, the Northwest Territories and Nunavut, in dealing with both the federal and provincial governments.

Utilizing this approach, the three territories were successful in creating the five-year Territorial Health Access Fund and its two year extension now called the Territorial Health System Sustainability Initiative.

We are currently engaged with the federal government to seek a further two year extension to coincide with the health care agreements with the provinces that terminate in 2014.

Perhaps our greatest accomplishment, however, was convincing the federal government to retain the Territorial Funding Formula for the three territories that served Yukoners so well since it was introduced by the late Honourable Erik Nielsen back in 1985.

The 2007 Canada Winter Games involving our two sister territories was another major accomplishment that made all northerners proud and later led to the establishment of Northern House at the Vancouver 2010 Olympic Games.

The 2010 Vancouver Olympic and Paralympics Winter Games were one of the largest marketing initiatives ever to be undertaken by Yukon.

Our government's investment of over $3 million raised global awareness of Yukon as a travel destination and celebrated our culture with a worldwide audience.

All three territories benefited from this Northern exposure and are continuing to work in collaboration.

In our 2006 Election Platform, we also made a commitment to make the Yukon Legislative Assembly work better and our government has remained true to that commitment.

No previous government in the history of the Yukon Legislative Assembly has passed more unanimous motions on matters of importance to Yukoners than our government working in collaboration with the Official Opposition and Third Party.

Moreover, no previous Yukon government has established as many all-party committees of the legislature to conduct public consultation on matters of importance to Yukoners such as Anti-smoking legislation, Human Rights, Whistleblower Protection, the *Landlord and Tenant Act*, the Safe Operation and Use of Off-road Vehicles and Bill #108, the *Legislative Renewal Act*.

Mr. Speaker, all members of the 31st and 32nd Legislative Assemblies can be proud of the fact that they have set aside partisan differences to make the Yukon Legislative Assembly work better for the common good of all Yukoners.

PROTECTING AND PRESERVING OUR ENVIRONMENT AND WILDLIFE

Mr. Speaker, the Yukon government has had control and management of Yukon's wildlife resources for many decades; however, on April 1, 2003 our government assumed the management and control of Crown land in the territory due to the Devolution Transfer Agreement.

Our government was the first Yukon government to be in a position to protect and preserve Yukon's environment and wildlife without direction from Ottawa.

Accordingly, our government, the Yukon Party government, has done more to protect and preserve Yukon's environment and wildlife than any previous Yukon government.

Currently, Yukon has 12.68% of its land protected – second only to the province of British Columbia.

Under our government's stewardship, we have committed to identify the following six areas as future territorial parks:

- Ni'iinlii'Njik (Fishing Branch) Wilderness Preserve established in 2003;
- Ni'iinlii'Njik (Fishing Branch) Ecological Reserve established in 2003;
- Tombstone Natural Environment Park established in 2004;
- Asi Keyi Natural Environment Park identified in 2003;
- Kusawa Natural Environment Park identified in 2005; and
- Agay Mene Natural Environment Park identified in 2005.

Our government also worked with the Tr'ondëk Hwëch'in government and Holland America to construct the state-of-the-art Tombstone Visitor Reception Centre that serves as an economic catalyst encouraging visitors to travel in the area and stay longer in the region. The centre was fully operational last summer.

Further, under our government's watch seven Habitat Protection Areas have been established or identified as follows:

- the Ni'iinlii'Njik (Fishing Branch) Habitat Protection Area established in 2003;
- the Lhutsaw Wetlands Habitat Protection Area established in 2007;
- the Old Crow Flats (East & West) Habitat Protection Area established in 2009;
- the Nordenskiold Wetlands Habitat Protection Area established in 2010;
- the Pickhandle Lake Habitat Protection Area identified in 2003;
- the Lewes Marsh Habitat Protection Area identified in 2005; and
- the Tagish River Habitat Protection Area identified in 2005.

As I noted previously our government reached an agreement on June 29, 2009, with the Vuntut Gwitchin Government on the North Yukon Regional Land Use Plan.

No previous Yukon government had succeeded in developing a regional land use plan since the Umbrella Final Agreement was signed off by the Yukon Party government in 1993.

One of our early successes with respect to the preservation of wildlife was the Chisana Caribou Recovery Project. Left unattended, experts agreed that the herd would be extinct in seven to ten years.

This genetically distinct herd had declined from 1,800 caribou to 300 and annually produced very few calves.

In March 2003, our government initiated an experimental pilot project to test the feasibility of rearing caribou calves in a protective enclosure.

This three year project was a tremendous success involving our government, the White River First Nation, the Yukon Fish and Wildlife Management Board, the Canadian Wildlife Service, the Alaska Department of Fish and Game, the United States National Parks Service, and the U.S. Fish and Wildlife Service.

It was a very successful model of international and intergovernmental cooperation.

Mr. Speaker, one our 2006 Election Platform commitments was to continue supporting the initiatives of the Vuntut Gwitchin Government to ensure the integrity and protection of the Porcupine Caribou Herd and its critical habitat, especially the calving grounds.

By July 06, 2010, a historic agreement was reached on the Porcupine Caribou Harvest Management Plan involving the Vuntut Gwitchin, the Tr'ondëk Hwëch'in, the Nacho Nyäk Dun, Gwich'in Tribal Council, the Inuvialuit Game Council, and the governments of Yukon, Canada and the Northwest Territories.

The agreement provides a management framework that varies harvesting practices with the size of the herd population and applies to all hunters.

It establishes a mandatory reporting and bulls only regime.

One of our first actions as a government in 2003 was to save the Yukon Wildlife Preserve for future generations of Yukoners.

The Yukon Wildlife Preserve promotes knowledge and appreciation of arctic and boreal ecology through the creation of a centre of northern education, conservation and research excellence.

A multi-year funding agreement from 2009 to 2012 will provide the Yukon Wildlife Preserve with a total of $1.8 million over the three years to help the organization expand its programs and seek other funding opportunities.

A further $1.9 million over two years has been provided for the design and construction of an animal research and rehabilitation centre at the Yukon Wildlife Preserve – a critical step for obtaining accreditation with the Canadian Association of Zoos and Aquariums.

Multi-year research projects are underway on moose, caribou, grizzly bears and selected fish populations. Information from this research informs our government's wildlife management and land-use decisions.

Under "Practicing Good Government," I already mentioned our government's Climate Change Strategy and Action Plan as well as meeting our major 2006 Election Platform Commitment to establish the Yukon Climate Change Research Centre of Excellence at Yukon College.

The newly-established Climate Change Secretariat is now coordinating our government's response to the thirty-three actions outlined in the Climate Change Action Plan.

In addition, we have provided funding support for the Yukon Cold Climate Innovation Centre, another important research facility located at Yukon College dedicated to creating commercial solutions to cold climate issues affecting northerners.

Mr. Speaker, the Department of Environment also has responsibility for contaminated sites.

The Site Assessment Remediation Unit (SARU) was established in 2008 to manage Yukon government-owned contaminated sites.

The SARU was set up in response to recommendations by the Auditor General of Canada for the Yukon government to create a contaminated sites liability policy and clean-up program.

The abandonment and reclamation of the Faro Mine is the most formidable environmental challenge facing the territory that fortunately remains the responsibility of the federal government.

Our government took over the management responsibility for the care and maintenance of the Faro Mine complex in early March 2009 after reaching a consensus with Canada and affected First Nations on a preferred closure option that is estimated to cost $30 million per year for the fifteen-year construction phase and another $10 million per year for the fifteen-year period of adjustment.

On June 29, 2010, Canada and our government reached an agreement to fund the remediation of the largest hydro-carbon contaminated site in Yukon, the Marwell Tar Pit in Whitehorse – another major accomplishment.

The Marwell Tar Pit has been an environmental hazard left over from World War II that was left unattended for all these years.

This ten-year long project is estimated to cost $6.8 million with Canada funding 70% and Yukon the remaining 30%.

Ensuring Yukoners have access to clean drinking water is another major 2006 election platform commitment and our government has designated considerable financial resources to meet this commitment.

The Little Salmon/Carmacks First Nation in Carmacks, the Carcross/Tagish First Nation in Carcross, the Champagne and Aishihik First Nations in Haines Junction as well as the communities of Teslin and Ross River have all had water treatment programs.

Similarly, water treatment options have been examined in Old Crow, a further $1.5 million is being spent this year to complete the project in Carmacks and, of course, there is the $21.768 million secondary wastewater treatment and district heating facility in Dawson City that is still undergoing construction.

ACHIEVING A BETTER QUALITY OF LIFE

Mr. Speaker, our government is extremely proud of our track record in improving the quality of life of Yukoners since taking office in 2002.

There is no question that Yukoners and the territory are better off today than they were in those dark days ending in 2002.

No previous government can claim to have done more.

Our government is striving to achieve a better quality of life for our citizens by increasing education opportunities; fostering healthy and safe communities through addressing drug and alcohol abuse; and promoting sports, art and culture.

Mr. Speaker, our children are our future and education plays a key role in developing that future.

Our government constructed a new school in Carmacks and we are now engaged in another major school construction project, the replacement of F.H. Collins Secondary School in Whitehorse. This budget includes $2.7 million for that purpose.

On July 8, 2009 the Government of Canada and the Government of Yukon signed a Labour Market Development Agreement to implement new arrangements in the area of labour market development that enables Yukon to assume an expanded role in the design and delivery of labour market development programs and services in Yukon, to benefit clients.

The agreement came into effect February 1, 2010 and replaces the agreement signed in 1998 under which the federal government retained the responsibility for the design and delivery of EI-funded Employment Benefits and Support Measures.

Our government is dedicated to increasing the number of apprentices and skilled workers in the territory and training Yukoners for Yukon opportunities.

In the four years between 2004 and 2008, the number of registered apprentices was increased by 80 percent.

We have made and are continuing to make significant investments in post-secondary education and in initiatives such as Skills Canada-Yukon, Women in Trades and Technology and other programs that help us meet our needs.

In February 2009, our government launched a four-year Licensed Practical Nurse (LPN) program at Yukon College to encourage Northerners who are interested in pursuing a career in a medical profession to remain in Yukon.

The LPN program builds on our $12.7 million Health Human Resources Strategy which was launched in 2006 to assist in recruiting and retaining Yukon health care professionals.

Training LPNs locally is helping us address Yukon's demand for health care professionals, particularly in continuing care and home care.

Today, Yukon College is also upgrading its physical infrastructure through the construction of new facilities at its Pelly Crossing Community Campus and the Dawson City Community Campus.

Two more major reviews were completed at the end of December 2010, "Sharing Common Ground: Report on the Review of Yukon's Police Force", and the Final Report of the "Task Force on Acutely Intoxicated Persons at Risk".

As a consequence of these two reports, the Yukon government in conjunction with the RCMP will be constructing a $4.08 million Secure Assessment Centre attached to the new Whitehorse Correctional Centre. The new Secure Assessment Centre will have medical professionals on staff and will spell the end of the RCMP drunk tank era in Whitehorse.

This budget is providing $7.414 million for the completion of the new Whitehorse Correctional Centre, one of the largest capital projects undertaken by our government and is based on the corrections philosophy outlined in the new *Corrections Act*.

Yukon has become a recognized leader in dealing with FASD with the setting up of the Community Wellness Court, a therapeutic court in the Yukon justice system, as well as the establishment of a pilot project, the Land-Based Healing Program at Jackson Lake administered by the Kwanlin Dun First Nation.

We will be urging the Government of Canada to work with our government in utilizing some of the $69 million transferred to Health Canada to deal with residential school abuse here in Yukon by examining our FASD programs, the Community Wellness Court, Land-Based Treatment options and other facilities and programs.

Our government increased funding support for women with FASD and for women's shelters such as Kaushee's Place in Whitehorse and Help and Hope Society in Watson Lake. And, the opposition voted against this support for women in Yukon.

Almost $11 million is being made available to non-government organizations to provide services to Yukoners. In 2011-2012, $487,000 is being provided for the implementation of the Victims of Crime Strategy and this money extends through to March 31, 2013. Further, $382,000 of Community Development Trust Funding has been allocated for the Northern Institute of Social Justice.

Since 2002, our government has invested approximately $100 million in new affordable housing for seniors, families and Yukoners in need. This investment has increased the Yukon housing portfolio by 40%. Which, by the way, Mr. Speaker, the opposition also voted against.

New seniors' residences have been constructed at Yukon College in Whitehorse as well as in Haines Junction, Watson Lake, Teslin and Faro. In addition a new building is being built on the Whitehorse Waterfront to replace the Alexander Street seniors' apartments and plans are underway for a new seniors' Abbeyfield project in Whitehorse. In Dawson City, a new structure is being built to replace the Korbo apartments.

Our government implemented the most comprehensive review of Social Assistance since the inception of the program by increasing the rates, providing an incentive to encourage recipients to enter the workforce and by providing enhanced services for persons with severe disabilities.

What is clear, Mr. Speaker is who has the social consciousness for Yukon. It is the Yukon Party Government.

The 2011-2012 Budget provides $14.154 million for Social Assistance.

Since 2002, Health and Social Services expenditures increased from $143 million to $262.611 million in 2011-2012. Our government provided $5 million in May 2007 for the next five years for child care to improve the wages for child care workers and decrease the cost of child care for low income families.

We are providing $220,000 annually in long term funding for three youth-serving organizations: Bringing Youth Towards Equality, Youth of Today Society and the Boys and Girls Club of Whitehorse.

In addition, our government has constructed a new Children's Receiving Home in Whitehorse.

Our government opened the remaining 12-bed unit at Copper Ridge Place and is currently providing $3.258 million for opening 19 continuing care beds at the Thomson Centre in 2011-2012.

The Yukon Hospital Corporation is investing approximately $70 million for three major infrastructure projects: the Residence for Visiting Health Care Professionals and Staff Office Complex on Hospital Road, and the two Regional Hospitals in Dawson City and Watson Lake.

One of our government's greatest health care accomplishments was the establishment of the five-year, $150 million Territorial Health Access Fund for the three territories, together with a two-year , $60 million extension now called the Territorial Health System Sustainability Initiative (THSSI) which amounts to $6.965 million in 2011-2012.

We established new services to children with disabilities and funding for home repairs for disabled Yukoners.

Our government established the Yukon Palliative Care Program to provide consulting services, public and professional education and training and support to volunteers in communities.

Health care facilities are important to all Yukon communities.

This budget is providing $3.2 million for the Whitehorse Ambulance Dispatch Station and $103,000 and $143,000 for community Nursing Health Centre renovations in Old Crow and Haines Junction respectively.

Community infrastructure is also important for contributing to Yukoners' quality of life.

We are investing $1.171 million in recreation infrastructure improvements in Dawson City and $700,000 for staff housing in Pelly Crossing.

The historic heart of downtown, the Whitehorse Waterfront, is being revitalized through twelve different projects including the Kwanlin Dun Cultural Centre and Whitehorse Public Library.

Our government recognizes that municipalities make a major contribution to improving the quality of life of Yukoners.

On October 22, 2010, we launched the territorial-wide "Our Towns, Our Future" review.

The review was set up in response to concerns put forward by Yukon municipal governments about important issues including funding levels, infrastructure deficits and recruitment and retention of qualified staff.

The comprehensive municipal operating grants in 2007-2008 totalled $12.538 million. Starting in 2008, our government approved annual increments of $808,000 and $121,000 for unincorporated communities until 2012-2013.

The total increase over five years brings the total to $16.578 million representing an increase of 32 percent or about 6 percent annually.

Mr. Speaker, sports and recreation are essential ingredients to improving the quality of life of Yukoners.

The successful hosting of the 2007 Canada Winter games was one of the Yukon's greatest achievements.

Our government is continuing to invest in Yukoner participation in various events, namely the North American Indigenous Games being held in Milwaukee, Wisconsin in August 2011, and the 2011 Canada Winter Games being held in Halifax, Nova Scotia.

We are also supporting the City of Whitehorse to host the Arctic Winter Games in 2012 and providing a $150,000 contribution for the 2011 Western Canada Summer Games as well as a further $130,000 contribution this fiscal year and next to Softball Yukon to host the Women's Fast Pitch World Championships in 2012-2013.

Mr. Speaker, our government continues to reflect in our policies and actions the importance of a balanced society.

While we develop Yukon's economy, we have an equal focus on ensuring that Yukoners are provided with services that strengthen and support healthy individuals, families and communities.

We are confident that as we continue our work towards growth in this territory, Yukoners will continue to enjoy a better quality of life.

CONCLUSION – THE PATHWAY TO PROSPERITY

Mr. Speaker, there is only one pathway to prosperity and Yukoners are currently on it.

Beware those who are promising to change Yukon's direction.

On the pathway to prosperity, there is only one direction.

You can either go forwards or you can go backwards.

This fall Yukoners will have a clear choice to make.

Do they wish to continue on this pathway with the Yukon Party government as their guide?

In making this decision, we urge all Yukoners to consider what has been accomplished over the last nine years and who best will be able to meet the challenges of the future.

Rest assured there will be challenges.

The sustainability of Yukon's health care system and the provision of affordable energy to sustain the territory's economic growth will be two of the most paramount. We believe our government is the best equipped to meet these future challenges.

Mr. Speaker, our government has a proven track record of nine years of accomplishments, of which we are justifiably proud.

These accomplishments were only achieved through all the hard work of all our department officials.

We provided the policy direction and they delivered the goods.

Our eight previous budgets together with this budget, the 2011-2012 Budget, laid the foundation stones for the pathway to prosperity.

Mr. Speaker, it's a solid foundation and I commend the 2011-2012 Budget to all the Members of this House.

REVIEW OF MAJOR ACCOMPLISHMENTS 2002 - 2010 AND BUDGET HIGHLIGHTS 2011 - 2012

HOW OUR INVESTMENT DECISIONS HAVE MADE A DIFFERENCE

- Transformed Yukon's economy of 2002 from being one of the weakest to being the strongest economy in Canada with a Gross Domestic Product of 3.9% in 2009.
- Increased Yukon's population by approximately 4,500 people since 2002.
- Turned Yukon's double digit unemployment rate in 2002 to 4.4% in December 2010, the lowest rate in Canada
- Increased mining exploration and development in 2002 from less than $10 million to $410 million in 2010
- In 2002, Yukon ranked 35th out of 45 jurisdictions in the world as a good place to invest, whereas today Yukon ranked 4th out of 51 jurisdictions on the globe as a good place to do business in.
- Used our nine successive budgets since 2002 to revitalize Yukon's private sector economy.
- Focused efforts on economic diversification by promoting national resource development, tourism, trade, arts and culture, film and sound, research and development, information technology, agriculture, forestry, manufacturing, trapping and outfitting and small business.
- Yukon's private sector is fast approaching parity with government in contributing to the growth of the Yukon economy.
- Only two jurisdictions in Canada, Yukon and Alberta, have no net debt.

- All governments in Canada are committed to returning to surplus budgets as soon as possible; Yukon will be the first government in Canada to meet that commitment.

ACCOMPLISHMENTS 2002-2010

- Completed the Education Reform Project in 2008 and developed a new vision for education in Yukon, entitled "New Horizons: Honouring Our Commitment to the Future".

- Built the new Tantalus School in Carmacks.

- Concluded the Corrections Consultation in 2006 that led to the adoption of a new philosophy of corrections that emphasizes the protection of the public, holds offenders accountable and provides appropriate opportunities for rehabilitation and is reflected in the new *Corrections Act* and all of our new facilities such as the new Whitehorse Correctional Centre.

- Developed Victims of Crime Strategy and the *Victims of Crime Act*.

- Implemented the Yukon Substance Abuse Action Plan outlined in our 2006 Election Platform that included numerous action items and programs relating Harm Reduction, Prevention and Education, Treatment and Enforcement.

- Yukon's Five-Step FASD Action Plan, the Safer Communities and Neighborhoods Office (SCAN) and the RCMP Street Crime Reduction Team which has now been incorporated and augmented in the overall policing agreement all emanated from the Substance Abuse Action Plan.

- Developed the Government of Yukon Climate Change Strategy in 2006 that led to the creation of the Climate Change Action Plan in 2009.

- Established the Yukon Climate Change Research Centre of Excellence at Yukon College in October 2009.

- Developed the Energy Strategy for Yukon in concert with the Climate Change Action Plan in 2009 that led to the $160 million project connecting the Whitehorse-Aishihik-Faro (WAF) grid to the Mayo-Dawson grid through the Carmacks to Stewart Crossing transmission line and upgrading the Mayo Dam, known as Mayo B.

- Developed the Yukon Solid Waste Action Plan in 2009.

- Conducted a major review, the Yukon Health Care Review, in 2008 that examined the sustainability of Yukon's health care system over the next decade.

- Developed the Wellness Strategy focusing on children and youth, healthy aging and social inclusion.

- Currently developing the Social Inclusion and Poverty Reduction Strategy based upon nine years of promoting over 100 initiatives improving the wellbeing of Yukoners, such as:
  - Increased social assistance rates by more than 25% in 2008;
  - Doubled and indexed the Yukon Seniors Income Supplement;
  - Increased and indexed the Pioneer Utility Grant;
  - Increased Child Care Subsidies;
  - Increased the Yukon Child Benefit;
  - Increased and indexed rates paid to foster parents;
  - Constructed a 32-unit $8 million Single Parent Family Complex in Riverdale;
  - Built a new Habitat for Humanity triplex on the site of the infamous 810 Wheeler in downtown Whitehorse;
  - Doubled the Prevention of Violence Against Aboriginal Women Fund from $100,000 to $200,000; and
  - Building the $12 million new seniors' complex on the Whitehorse Waterfront replacing the Alexander Street seniors' apartments.

- Concluded three more land claims agreements – the Kluane First Nation, the Kwanlin Dun First Nation and the Carcross/Tagish First Nation – since 2002.

- Promoted Yukon First Nations as full partners in the development of Yukon's economy and established government-to-government cooperative relationships with First Nations that lead to:
  - the re-establishment of the Intergovernmental Forum involving Canada, Yukon and all 14 Yukon First Nations;

- the creation of the Yukon Forum involving Yukon and all 14 First Nations to discuss matters of mutual interest and common good;
- the allocation of various federal funding programs such as the $50 million Northern Housing Trust, the $40 million Northern Strategy Fund and the $27 million Strategic Investments in Northern Economic Development (SINED);
- Yukon government support for new self-government Financial Transfer Agreements with Canada that resulted in a $10 million increase; and
- the showcasing of Yukon First Nations culture at both the 2007 Canada Winter Games and the Vancouver 2010 Olympics.

- Created a pan-northern approach with the Northwest Territories and Nunavut in dealing with the provincial and federal governments that resulted in significant benefits for all three territories, namely:
  - the establishment of the five-year Territorial Health Access Fund (THAF) and its two-year extension, the Territorial Health System Sustainability Initiative (THSSI);
  - the re-instatement of the all-important Territorial Funding Formula agreement;
  - the very successful marketing of the North in the 2007 Canada Winter Games hosted by Yukon; and
  - the establishment of the Northern House at the Vancouver 2010 Olympic and Paralympic Winter Games.

- Fulfilled 2006 Election Platform commitment to make the Yukon Legislative Assembly work better by:
  - Passing more unanimous motions on matters of importance to Yukoners by working in collaboration with the Official Opposition and Third Party than any previous government in the history of the Yukon Legislative Assembly; and
  - Establishing more all-party committees of the legislature to conduct public consultation on matters of importance to Yukoners such as Anti-Smoking legislation, Human Rights, Whistleblower Protection, the *Landlord and Tenant Act*, the Safe Operations and Use of Off-Road Vehicles and Bill #108 the *Legislative Renewal Act.*

- Since assuming the control and management of Yukon land and resources under the Devolution Transfer Agreement in 2003, our government has done more to protect and preserve Yukon's environment and wildlife than any previous Yukon government, recognizing our obligations to the environment while still creating a positive investment climate.

- Currently, Yukon has 12.68% of its land protected, second only to British Columbia, and our government has identified the following:

(1) Six Territorial Parks

- Ni'iinlii'Njik (Fishing Branch) Wilderness Reserve established in 2003;
- Ni'iinlii'Njik (Fishing Branch) Ecological Reserve established in 2003;
- Asi Keyi Natural Environment Park identified in 2003;
- Kusawa Natural Environment Park identified in 2005;
- Tombstone Natural Environment Park established in 2004; and
- Agay Mene Natural Environment Park identified in 2005.

(2) Seven Habitat Protection Areas

- Nordenskiold Wetlands established in 2010;
- Ni'iinlii'Njik (Fishing Branch) established in 2003;
- Lewes Marsh identified in 2005;
- Lhutsaw Wetlands established in 2007;
- Pickhandle Lake identified in 2003;
- Tagish River identified n 2005; and
- Old Crow Flats (East and West) established in 2009.

- Succeeded in saving the Chisana Caribou Herd from further decline through the three-year Chisana Caribou Recovery Project commencing in 2003. Our intervention and ongoing efforts are targeted to affect the ongoing viability of this unique herd.

- Reached a historic agreement in April 2010 on the Porcupine Caribou Harvest Management Plan involving the Vuntut Gwitchin, the Tr'ondëk Hwëch'in, the nacho Nyak Dun, Gwich'in Tribal Council, the Inuvialuit Game Council, the Government of the Northwest Territories, the Government of Yukon and the Government of Canada.

- Saved the Yukon Wildlife Preserve in 2003 for future generations and invested almost $3 million to build a research and rehabilitation centre and other infrastructure improvements around the property. In addition, the organization responsible for the operations of the Preserve is provided $600,000 annually to support their work.

- Took over the management responsibility for the care and maintenance of the Faro Mine complex in early march of 2009 after reaching a consensus with Canada and affected First Nations on a preferred closure option that is estimated to cost $30 million per year for the next 15-year construction phase and another $10 million per year for the 15-year period of adjustment for a total estimated investment of $600 million.

- $100 million has been invested in affordable housing for seniors, families and Yukoners in need since 2002, increasing the Yukon Housing portfolio by 40%.
- New seniors' residences have been constructed at Yukon College as well as in Haines Junction, Watson Lake, Teslin and Faro.

- Implemented the most comprehensive review of Social Assistance since the inception of the program by increasing rates, providing an incentive to encourage recipients to enter the workforce and by providing enhanced services for persons with severe disabilities.

- Major focus on FASD 5-Step Action Plan, the Community Wellness Court and Land-Based Treatment and increased financial support for FASSY.

- Doubled the annual funding from $110,000 to $220,000 allocated to each of three youth organizations: Bringing Youth Towards Equality, Youth of Today Society and the Boys and Girls Club of Whitehorse, and confirmed a three year agreement (2010-2013).

- Commencing in 2007, $5 million has been available for child care over five years.

- Conducted the territorial-wide "Our Town, Our Future" review addressing the concerns of Yukon municipalities regarding funding levels, infrastructure deficits, and recruitment and retention of qualified staff.

- Canada and Yukon on June 29, 2010 reached an agreement to fund the remediation of the largest hydro-carbon contaminated site in Yukon, the Marwell Tar Pit in Whitehorse. The agreement by Canada to share in the obligation for clean-up was a significant milestone.

- Signed a Labour Market Development Agreement with Canada on July 8, 2009 replacing the old agreement signed in 1998, giving Yukon an expanded role in the design and delivery of labour market development programs and services in Yukon.

- Training Yukoners for Yukon opportunities through dramatically increasing the number of registered apprentices, and by providing programs such as: Skills Canada-Yukon; Women in Trades and Technology; Targeted Initiatives for Older Workers; the Licensed Practical Nurse Program as well as promoting Yukon as a destination of choice under the Yukon Nominee Program.

- Youth Rebate under Business Incentive program extended indefinitely.

HIGHLIGHTS FOR 2011-12

GOOD GOVERNMENT

- $1 billion and $89 million budget; a balanced budget, the third budget exceeding the $1 billion threshold, and our 9th budget since 2002 which was only $550 million.

- Replenishment of Yukon's "savings account" with a $38.456 million surplus and net financial position of $43.137 million.

- Developed a Five-Year Capital Plan comprised of the following expenditures by category for 2011-2012:
  - $37.451 million for building assets (both new and maintenance of existing buildings);
  - $46.6 million Transportation Infrastructure;
  - $10.873 million for IT Assets, inclusive of school-based IT requirements;
  - $66.99 million for Municipal Infrastructure, supported by Build Canada funds;
  - $27.349 million Other Projects and Programming; and
  - $41.921 million Land Development.

ECONOMY

- $750,000 in 2011–2012 for "Destination Yukon" that builds upon the tourism marketing momentum generated by the "2007 Look Up North" marketing campaign and the 2010 "Pan-North Marketing Consortium Olympic Marketing Initiative".

- $700,000 in 2011–2012 for the Tourism Cooperative Marketing Fund.

- $350,000 for the Scenic Drives Initiative.

- $125,000 for Tourism and Culture's Interactive Website.

- $4.827 million in 2011–2012 for Whitehorse Waterfront Projects.

- $1.037 million for the Carcross Waterfront Project.

- $1.5 million in 2011-2012 for the $22.4 million Kwanlin Dun Cultural Centre and Whitehorse Public Library on the Whitehorse Waterfront.

- $4.523 million in 2011-2012 for the $12 million Champagne and Aishihik First Nations Cultural Centre in Haines Junction.

- $916,000 contribution in 2011-2012 for the Kluane First Nation Cultural Centre.

- $100,000 for a Special Projects Coordinator for projects such as the Champagne and Aishihik Cultural Centre and the SS Tutshi Memorial in Carcross.

- $141,000 Northern Strategy Heritage and Cultural Capacity Development Initiative that is a joint project involving the Vuntut Gwitchin First Nation, Yukon College and Tourism and Culture.

- $200,000 for the "Decade of Sport and Culture".

- $150,000 for the Arts community in the Old Firehall.

- $33,000 increase in funding for the Yukon Arts Centre.

- $75,000 to test the pilot 'Measuring Rural Growth' template in 3 diverse Yukon communities which will help communities measure potential for future economic growth.

- $300,000 for Youth employment/career counseling program as part of a series of Labour Market Development initiatives.

- $335,000 Targeted Investment Program – Western Canada Music Awards.

- $131,000 Northern Strategy funding for enhancing the participation of First Nations governments in the Adaptive Management Frameworks for Yukon Placer Mining.

- $189,000 Northern Strategy funding for On the Job Resource Management Training for Yukon First Nation candidates.

- $32,000 Community Development Trust Funding for First Nations Training Corps.

- $100,000 for resource planning in the Ross River traditional area.

- $250,000 over two years from Northern Strategy funding for the Yukon Mine Training Association.

- $592,000 from Canada and $395,000 from Yukon for the Agricultural Funding Agreement that expires March 31, 2013.

- $100,000 for agricultural land development.

- $75,000 for implementing the North Yukon Regional Plan.

- $400,000 for Forestry Mainline Road in South West Yukon .

- $17.3 million for Shakwak pavement construction, permafrost remediation and culvert repairs.

- $2.42 million for Alaska Highway rehabilitation and intersection improvements.

- $7.313 million for work on Campbell Highway.

- $4.24 million for work on Atlin Road.

- $900,000 for work on the Dempster Highway.

- $485,000 for Silver Trail Aggregate Production.

- $700,000 for Right of Way Vegetation and Remediation Control (HERC).

- $300,000 for the Resource Access Roads Program.
- $200,000 for Rural Roads Upgrading Program.
- $926,000 for Teslin Roads upgrades.
- $2.025 million on Klondike Highway.
- $2.4 million pavement rehabilitation at various locations around territory.
- $1.95 million for Old Crow Road Upgrade Project.
- $1 million for Ross River Community Road Upgrades.
- $2.3 million Deck Replacement for Morley River Bridge.
- $1.7 million for Flat Creek Bridge rehabilitation on Klondike Highway.
- $407,000 for operational costs of Erik Nielsen Whitehorse International Airport expansion as well as $395,000 for an increase in the number of security guards for the Airport.
- $500,000 for Secondary Jetway at Whitehorse Airport.
- $400,000 for the Faro Airport Terminal Building replacement.
- $500,000 for rebuilding Runway 24 End and replace lights for the Mayo Airport.
- $200,000 to expand apron and apply dust suppressant at Burwash Landing Airport.
- $450,000 for the Mobile Radio System.
- $412,080 for Community Cell Phone Service (MoCs).
- $31.598 million for Whistle Bend residential land development in Porter Creek.

- $5.25 million for land development in Grizzly Valley.

- $688,000 for country residential land development at Willow Acres and $408,000 for urban residential land development in Haines Junction.

- $1.427 million for Dawson City industrial land development and $250,000 for country residential land development on the Dome Road.

- $1.1 million for Mayo Urban and Country Residential land development.

- $300,000 for joint First Nation – Yukon Government land management program.

- $700,000 for Pelly Crossing Staff Housing Construction

- $575,000 for development and maintenance at historic sites

- $1.05 for the Business Incentive Program.

- $9.209 million in capital maintenance for existing government facilities and schools.

- $933,000 CanNor funding for geoscience research in Yukon (total $3.5 million over next 4 years).

ENVIRONMENT

- In 2011-2012, Yukon will be receiving a total of $25.217 million to remediate Type II Mine Sites that remain the responsibility of Canada:
  - $20.507 million for the Faro Mine;
  - $3.899 million for the Mt. Nansen mine;
  - $771,000 for the Clinton Creek Mine; and
  - $40,000 for the United Keno Hill Mine.

- $275,000 Northern Strategy Project – Northern Climate Exchange Community Adaptation Project.

- $70,000 for Whitehorse and Southern Lakes Forest Resource Management Plan.

- $63,000 for Old Crow Community Forest Planning.

- $56,000 two-year CanNor Project Placer Mining and Fish Habitat Enhancement in Liard and Mayo.

- $1 million for FireSmart Program.

- $50,000 to develop a strategy around future Alternative Energy uses.

- $60,000 for school-based Environmental Stewardship program.

- $75,000 for School Waste Diversion program.

- $390,000 for increased mine inspection and engineering personnel to help ensure regulatory and environmental compliance.

- $402,000 for Grader Station Environmental upgrades at Swift River and Carcross.

- $209,000 for upgrading underground fuel tanks at Mayo facilities.

- $252,000 for establishing a Conservation Office in Carmacks to address capacity issues and to increase enforcement.

- $233,000 in 2011-2012 for Swan Haven Erosion Mitigation.

- $101,000 for Special Construction and Demolition of Hazardous Waste and Asbestos Remediation.

- $21.768 million for Dawson City Wastewater Treatment and District Heating.

- $3.761 million for further Wastewater Treatment in Carmacks, Teslin and Carcross.

- $6.847 million for water and sewer pipe replacement, water system upgrades, water treatment, reservoirs, well head protection and other water-related infrastructure improvements in communities such as Faro, Haines Junction, Mayo, Watson Lake, Burwash, Carcross, Old Crow, Mendenhall, Marwell, Whistle Bend, Rock Creek, Deep Creek and territory-wide in keeping with our 2006 Election Platform commitment to provide clean drinking water.

- Arsenic is of particular concern in Yukon drinking water due to regulatory standards changes and in 2011-2012, funding is being provided for arsenic treatment in the following communities:
  - $1.013 million for systems upgrade and Arsenic Treatment in Ross River;
  - $2.907 million for Arsenic Treatment Upgrades to meet 2011 Regulatory Requirements in Teslin, Haines Junction and Carcross; and
  - $100,000 for Teslin Phase II Arsenic Treatment.

- $150,000 for Solid Waste Strategy Implementation

- $900,000 for Transfer Stations, Recycle Depots and Compost and Chipping Equipment.

- $425,000 for Materials Recycling and Sorting Facility.

- $200,000 for Solid Waste Site Closures and Remediation.

- $163,000 Northern Strategy for mitigating the impacts of the spruce bark beetle outbreak in the Champagne and Aishihik First Nations area.

BETTER QUALITY OF LIFE

- Continuing to implement the new Education Strategy, "New Horizons: Honouring Our Commitment to the Future", focusing on improved literacy and numeracy, preservation of culture and increased educational achievements for all Yukon students.

- $2.7 million for 2011-12 towards building a new secondary school in Whitehorse replacing F.H. Collins.

- Yukon College is completing the construction of new facilities at its Pelly Crossing Community Campus and the Dawson City Community Campus.

- Almost $1.5 million additional funding to extend education and learning assistant resource levels through to June 2012.

- $3.58 million for a new Secure Assessment Centre as a recommendation from two reports; the "Sharing Common Ground: Report on the Review of Yukon's Police Force" and the report of the Task Force on Acutely Intoxicated Persons at Risk.

- $7.414 million to complete the construction of the new Whitehorse Correctional Centre.

- Almost $11 million provided annually to support activities of non-government organizations such as Kaushee's Place in Whitehorse and Help and Hope in Watson Lake.

- $486,000 for implementation of Victims of Crime Strategy.

- $382,000 from the Community Development Trust Fund for the Northern Institute of Social Justice.

- $2.62 million in 2011-12 towards a new Abbeyfield seniors' complex being planned for Whitehorse and a new social housing complex is being built in Dawson City replacing the Korbo apartments.

- An additional $2.8 million is being provided for Social Assistance in 2011-2012.

- Since 2002, Health and Social Services expenditures have increased from $143 million to $262.6 million in 2011-2012. The increase of almost 14% in 2011-12 will address key areas of health and social service cost pressures identified in the Health Review which have been funded through supplementary budgets in previous years, such as social assistance and hospital and physician claims.

- $3.258 million made available to open 19 continuing care beds in the Thomson Centre.

- $70 million is being invested by the Yukon Hospital Corporation for three major projects: the Residence for Visiting Health Care Professionals and Staff Office Complex on Hospital Road and the construction of two new Regional Hospitals in Dawson City and Watson Lake.

- Negotiated a two-year extension of the $60 million, five-year Territorial Health Access Fund (THAF), now entitled The Territorial Health System Sustainability Initiative (THSSI) that totals $6.965 million in 2011-2012, including $1 million for Medical Travel.

- $3.2 million for the Whitehorse Ambulance Dispatch Station.

- $103,000 for Community Nursing Health Centre renovations in Old Crow and $143,000 for Community Nursing Health Centre renovations in Haines Junction.

- $601,000 additional funding to health and social service-related non-government organizations.

- $1.171 million for Dawson City recreation infrastructure improvements.

- Almost $5 million for Whitehorse Waterfront improvements in addition to $1.5 million towards construction of the Kwanlin Dun Cultural Centre and the new Whitehorse Public Library.

- $808,000 increase in the comprehensive municipal operating grants and $121,000 for unincorporated communities.

- $500,000 for Mt. Lorne Fire Hall addition.

- Building upon the successful hosting of the 2007 Canada Winter Games by continuing to support Yukon participation in the 2011 North American Indigenous Games, the 2011 Canada Winter Games being held in Halifax, Nova Scotia, the 2011 Western Canada Summer Games ($150,000) and helping the City of Whitehorse host the Arctic Winter Games in 2012 ($177,000 for Mount Sima upgrades in 2011-12) as well as providing a $130,000 contribution this fiscal year and next to Softball Yukon hosting the Women's Fast Pitch World Championships in 2012-2013.

- $3 million to extend the Energy Rebate for 2011-12.

GOVERNMENT OF YUKON
PROJECTIONS
($000s)

	2010-11 Supplementary Forecast	2011-12 Main Estimate	2012-13 Projected Estimate	2013-14 Projected Estimate	2014-15 Projected Estimate
REVENUE:					
Territorial Revenue	$ 112,507	$ 123,106	$ 124,507	$ 125,944	$ 127,416
Transfers from Canada	690,409	745,229	769,483	794,199	820,056
TOTAL REVENUE	$ 802,916	$ 868,335	$ 893,990	$ 920,143	$ 947,472
LESS NET EXPENDITURES:					
Net Operation and Maintenance Expenditures	$ 755,806	$ 757,947	$ 782,971	$ 811,301	$ 844,517
Net Capital Expenditures	129,173	94,697	112,000	105,000	105,000
TOTAL NET EXPENDITURES	$ 884,979	$ 852,644	$ 894,971	$ 916,301	$ 949,517
Plus: Effect of change in non-financial assets	$ 39,766	$ 20,638	$ 21,054	$ 17,628	$ 16,919
Plus: Adjustments (lapses and revotes)	22,103	2,127	8,523	6,445	12,662
SURPLUS (DEFICIT) FOR THE YEAR	$ (20,194)	$ 38,456	$ 28,596	$ 27,915	$ 27,536
NET FINANCIAL RESOURCES					
Net Financial Resources, Beginning of the Year	$ 67,467	$ 18,169	$ 43,137	$ 55,676	$ 69,411
Plus: Surplus (Deficit) for the Year	(20,194)	38,456	28,596	27,915	27,536
Less: Effect of change in non-financial assets	(29,104)	(13,488)	(16,057)	(14,180)	(13,239)
Net Financial Resources, End of the Year (A)	$ 18,169	$ 43,137	$ 55,676	$ 69,411	$ 83,708
NON-FINANCIAL ASSETS					
Net Opening Balance, Beginning of the Year	$ 454,105	$ 483,209	$ 496,697	$ 512,754	$ 526,934
Plus: Effect of change in non-financial assets	29,104	13,488	16,057	14,180	13,239
Non-Financial Assets, End of the Year (B)	$ 483,209	$ 496,697	$ 512,754	$ 526,934	$ 540,173
ACCUMULATED SURPLUS (A + B)	$ 501,378	$ 539,834	$ 568,430	$ 596,345	$ 623,881

GOVERNMENT OF YUKON
MULTI-YEAR CAPITAL PLAN
PROJECT LISTING[1]

The Multi-Year Capital Plan identifies Capital priorities and their related expenditures over the next four years (i.e. the current budget year plus the three subsequent fiscal years). Although subject to revision each year, the Multi-Year Capital Plan provides an overview of the Government of Yukon's future Capital expenditure priorities. As a framework document, the Multi-Year Capital Plan highlights the multi-year sustainable level of Capital investment targeted by the government.

Known priorities for future years are presented over a three-year horizon within the identified net Capital target for each fiscal year. The ongoing Capital planning processes will provide the government the opportunity to update the Multi-Year Capital Plan in response to changing and/or emerging priorities, changing market conditions and sector capacity, emergencies and other factors that may require government to revisit its Capital expenditure plan.

The following are notes related to the attached Multi-Year Capital Plan.

(1) Projects are subject to Implementation Approval by the appropriate authority. Projects known to have received or are to known to require Implementation Approval by Management Board are noted in the listing.

(2) Projects have received Implementation Approval by Management Board:

Municipal Infrastructure, Water, Sewer and Roads:
- Dawson Sewage and District Heating, $34,286,500
- Teslin Road and Drainage Upgrades, $1,500,000
- Ross River System Upgrades and Arsenic Treatment, $1,500,000
- Old Crow Road Upgrade, $4,180,000
- Whitehorse Waterfront Development, $6,541,000
- Carcross Waterfront Road Upgrades, $1,543,000

Land Development:
- Urban Residential Subdivision, Haines Junction, $3,709,000
- Willow Acres Country Residential Subdivision, Haines Junction, $2,083,000
- Whistle Bend Urban Residential Subdivision, Whitehorse (Stages 1 and 2), $41,640,000
- Whistle Bend Way Road Connector, Whitehorse, $8,870,000
- Valley View Reservoir Expansion, Whitehorse (Phase 1), $5,000,000
- Range Road Water Main Extension and McIntyre Creek Crossing, Whitehorse, $3,510,000
- Grizzly Valley Rural Residential Subdivision, Whitehorse, $10,258,576
- Callison Industrial Subdivision Expansion, Dawson, $1,791,000

Building and Facility Development:
- Corrections Infrastructure, $66,266,000
- Secure Assessment Centre, $4,080,000
- Takhini Duplexes, $2,200,000
- Double Wide Trailer Replacements, $5,887,000

(3) Project scope, target completion date, and target total cost are subject to Implementation Phase approval by Management Board.

(4) The Annual Capital Plan (ACP) for 2011-12 under Building Canada has been submitted to Canada. Government of Yukon has identified an allocation of $8.575 million within its 2011-12 appropriations to advance projects subject to approval by Canada of the submitted 2011-12 ACP. Future year estimates are identified in this multi-year plan, and will be adjusted as appropriate as planning and scoping work is completed and implementation plans have been finalized.

(5) Annual Capital Plans (ACP) for 2012-13 and 2013-14 will be developed and submitted to Canada in accordance with the Building Canada Framework and Funding agreements. Future year estimates are identified in this multi-year plan, and will be adjusted as appropriate as planning and scoping work is completed and implementation plans have been finalized.

(6) The 2011-12 Main estimates provides $21.967 million (net of recoverable amounts) for transportation-related investments (e.g. highways, roads, bridges and airstrips). The Multi-Year Capital Plan reflects increases in subsequent years: $25 million (net) for 2012-13; $27.5 million (net) for 2013-14, and $30 million (net) for 2014-15.

(7) Government of Yukon ongoing core investment related to information technology is coordinated by the Department of Highways and Public Works, Information and Communications Technology (ICT) branch. Departments have responsibility for the budget of approved projects and purchases. The 2011-12 Mains figure includes:

a) $9.628 million gross for core investments (of which, $3.103 million is recoverable for a net total of $6.525 million); and

b) $347,000 for items carried forward from 2010-11.

In addition to these amounts, Government of Yukon provides significant information technology investments in Yukon schools. For 2011-12, the Main Estimates (Department of Education) includes $898,000 for school-based information technology investments. (This amount is included in the "Other Capital Projects" line.)

(8) Government of Yukon ongoing core investment related to the Building Maintenance program is coordinated by the Department of Highways and Public Works, Property Management Division (PMD). Departments have responsibility for the budget of approved projects.

GOVERNMENT OF YUKON
MULTI-YEAR CAPITAL PLAN
PROJECT LISTING[1]

($000s)		Future Years		
Sponsor / Project	2011-12 Mains	2012-13 Plan	2013-14 Plan	2014-15 Plan
Community Services				
Building Canada Plan				
Dawson Sewage and District Heating[2]	21,768	1,896	0	0
Teslin Arsenic Treatment	136	1,400	0	0
Arsenic Treatment Upgrades	1,371	0	0	0
Faro Water & Sewer Pipe Replacement[3]	200	3,200	0	0
Mayo Water Upgrades[3]	200	1,700	0	0
Haines Junction Water Reservoir & Pump System[3]	200	1,800	0	0
Teslin Road and Drainage Upgrades[2]	926	500	0	0
Marwell Water & Sewer Upgrades	500	6,000	0	0
Champagne & Aishihik First Nations Water Truck Stop	550	450	0	0
Rock Creek Water Supply Upgrades[3]	975	975	0	0
Deep Creek Water Treatment Plant[3]	185	1,775	0	0
Beaver Creek Road Upgrades	400	500	0	0
Territory-wide Transfer Stations	900	900	0	0
Recycling/Sorting Facility	425	425	0	0
Old Crow Upgrade to Solid Waste Facility[3]	500	500	0	0
Mendenhall Community Water Supply[3]	210	1,750	0	0
Haines Junction Drinking Water Arsenic Removal[3]	1,500	0	0	0
Ross River System Upgrades & Arsenic Treatment[2]	1,013	0	0	0
Carcross Water System Upgrade[3]	1,352	0	0	0
Carmacks Wastewater Collection System	2,409	0	0	0
Old Crow Road Upgrade[2]	1,955	500	0	0
Watson Lake Water & Sewer Pipe Replacement[3]	3,200	0	0	0
Dawson Water Study	150	0	0	0
Selkirk Public Works Shop	375	0	0	0
Burwash Well Head Protection	454	0	0	0
Proposed under the 2011/12 Annual Capital Plan[4]	8,575	18,525	7,350	450
Estimated annual future requirements under the 2012/13 and 2013/14 Annual Capital Plans[5]	0	12,000	20,000	17,000
Canada Strategic Infrastructure Fund (CSIF)				
Kwanlin Dun Cultural Centre	1,500	0	0	0
Whitehorse Waterfront[2]	4,827	750	0	0
Carcross Waterfront[2]	1,037	0	0	0
Municipal Rural Infrastructure Fund (MRIF)				
Champagne and Aishihik First Nations Cultural Centre	4,523	0	0	0
Community and Infrastructure Development				
Land Development[2][3]	41,921	39,159	21,185	7,355
Domestic Well Program	600	600	600	600
Rural Electrification and Telephone Program	600	600	600	600
Other Projects				
Whitehorse Ambulance Station[3]	3,200	5,546	0	0
Dawson City Infrastructure	1,171	750	1,100	0

GOVERNMENT OF YUKON
MULTI-YEAR CAPITAL PLAN
PROJECT LISTING[1]

($000s)		Future Years		
Sponsor / Project	2011-12 Mains	2012-13 Plan	2013-14 Plan	2014-15 Plan
Highways and Public Works				
Canada Strategic Infrastructure Fund (CSIF)				
Morley River Bridge Deck Replacement	2,300	0	0	0
Building Canada Plan				
Campbell Highway	4,913	0	0	0
Atlin Road	3,640	0	0	0
Flat Creek Bridge	1,700	0	0	0
Primary Highways				
Highway Construction	14,250	19,400	4,650	4,000
Highway Rehabilitation	15,130	5,900	5,500	6,000
Bridges	0	12,450	10,750	12,150
Secondary Highways				
Highway Rehabilitation	650	700	700	5,200
Bridges	430	150	200	200
Airports				
Community Airports	1,970	1,330	1,410	2,040
Whitehorse Airport	1,233	2,550	4,350	460
Education				
F. H. Collins Secondary School Replacement[3]	2,700	29,481	16,260	2,872
Health and Social Services				
McDonald Lodge Replacement	0	one dollar	one dollar	one dollar
Justice				
Corrections Infrastructure[2]	7,476	0	0	0
Secure Assessment Centre[2]	3,580	0	0	0
Yukon Housing Corporation				
Whitehorse Abbeyfield[3]	2,570	0	0	0
Takhini Duplexes[2]	2,200	0	0	0
Double Wide Trailer Replacements[2]	2,227	0	0	0
Corporately Managed (Ongoing Core)				
Information Technology Equipment and Systems[7]	9,975	6,500	6,500	6,500
Building Maintenance Program[8]	12,402	12,000	12,000	12,000
Subtotal Multi-Year Listing (gross basis)	199,154	192,662	113,155	77,427
Less: Recoveries	(123,025)	(99,331)	(42,898)	(21,643)
Total Multi-Year Listing (net basis)	76,129	93,331	70,257	55,784
Other Capital Projects (net basis)	18,568	18,669	34,743	49,216
Total Capital Plan (net basis)	**94,697**	**112,000**	**105,000**	**105,000**

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FINANCIAL INFORMATION

2011-12

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FINANCIAL SUMMARY [1]
($000s)

	2011-12 ESTIMATE	Comparable 2010-11 FORECAST	Comparable 2010-11 ESTIMATE	2009-10 ACTUAL
Revenue:				
Territorial Revenue	**123,106**	112,507	113,898	116,426
Recoveries	**236,936**	242,875	243,545	162,441
Transfers from Canada	**745,229**	690,409	690,900	655,876
Total Revenue	**1,105,271**	1,045,791	1,048,343	934,743
Expenditures				
Operation and Maintenance Expenditures (Voted)	**851,863**	862,140	812,891	806,319
Capital Expenditures (Voted)				
-Expensed Items	**149,629**	160,736	170,197	97,862
-Tangible Capital Asset Acquisitions	**88,088**	104,978	92,299	102,436
Total Expenditures	**1,089,580**	1,127,854	1,075,387	1,006,617
Annual Surplus/(Deficit)	**38,456**	(20,194)	2,907	(25,675)
Accumulated Surplus, end of the year	**539,834**	501,378	527,058	521,572
Net financial resources, end of the year	**43,137**	18,169	40,255	67,467

(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.

FINANCIAL SUMMARY [1]
($000s)

	2011-12 ESTIMATE	Comparable 2010-11 FORECAST	Comparable 2010-11 ESTIMATE	2009-10 ACTUAL
Calculation of Surplus/(Deficit)				
Revenue	**1,105,271**	1,045,791	1,048,343	934,743
Adjustment for deferred capital contributions	**(30,325)**	(26,071)	(18,887)	(28,377)
Less Expenses:				
Operation and Maintenance Expenditures	**(851,863)**	(862,140)	(812,891)	(806,319)
Capital Expenditures (expensed items)	**(149,629)**	(160,736)	(170,197)	(97,862)
Amortization	**(37,615)**	(35,263)	(34,707)	(33,054)
Write-downs and disposals	**0**	(4,639)	0	(132)
	35,839	(43,058)	11,661	(31,001)
Adjustments:				
Lapses net of revotes (expensed items)	**2,127**	22,103	(8,754)	0
Other Adjustments	**490**	761	0	5,326
Surplus (Deficit) for the Year	**38,456**	(20,194)	2,907	(25,675)
Net Financial Resources				
Net financial resources, beginning of the year	**18,169**	67,467	69,430	135,544
Surplus (Deficit) for the year	**38,456**	(20,194)	2,907	(25,675)
Effect of tangible capital asset acquisitions (net) [2]	**(20,148)**	(39,005)	(38,705)	(42,040)
Lapses net of revotes (capitalized items)	**6,660**	9,901	6,623	0
Other adjustments	**0**	0	0	(362)
Net financial resources, end of the year (A)	**43,137**	18,169	40,255	67,467
Non-financial assets				
Net opening balance, beginning of the year	**483,209**	454,105	454,721	411,703
Adjustments	**13,488**	29,104	32,082	42,402
Net non-financial resources, end of the year (B)	**496,697**	483,209	486,803	454,105
ACCUMULATED SURPLUS (A + B)	**539,834**	501,378	527,058	521,572

(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.
(2) Excludes non-financial assets for restricted funds

FINANCIAL SUMMARY (Cont'd)
($000s)

	2011-12 ESTIMATE	Comparable 2010-11 FORECAST	Comparable 2010-11 ESTIMATE	2009-10 ACTUAL
NET EXPENDITURES:				
OPERATION AND MAINTENANCE:				
Gross Expenditures	**851,863**	862,140	812,891	806,319
Less: Third-Party Recoveries	**19,790**	20,065	19,590	20,697
Less: Recoveries from Canada	**74,126**	85,260	79,994	59,558
NET O & M EXPENDITURES	**757,947**	756,815	713,307	726,064
CAPITAL:				
Gross Expenditures	**237,717**	265,714	262,496	200,298
Less: Third-Party Recoveries	**74,865**	44,657	41,650	32,783
Less: Recoveries from Canada	**68,155**	92,893	102,311	49,403
NET CAPITAL EXPENDITURES	**94,697**	128,164	118,535	118,112
LOAN INTEREST:				
Gross Expenditures	**0**	0	0	0
Less: Third-Party Recoveries	**155**	174	174	206
NET LOAN INTEREST	**(155)**	(174)	(174)	(206)
LOAN PRINCIPAL:				
Gross Expenditures	**0**	0	0	0
Less: Third-Party Recoveries	**329**	360	360	532
NET LOAN PRINCIPAL	**(329)**	(360)	(360)	(532)
LOAN CAPITAL:				
Gross Expenditures	**5,000**	5,000	5,000	0
Less: Third-Party Recoveries	**5,000**	5,000	5,000	0
NET LOAN CAPITAL	**0**	0	0	0

BUDGETARY INCOME SUMMARY BY SOURCE

SOURCE	2011-12 ESTIMATE		Comparable 2010-11 FORECAST		2010-11 ESTIMATE		2009-10 ACTUAL	
TERRITORIAL REVENUE	**$000s**	**%**	**$000s**	**%**	**$000s**	**%**	**$000s**	**%**
TAX REVENUE								
Personal Income Tax	**58,162**	**5.3**	52,376	5.0	53,128	5.7	57,902	6.2
Corporate Income Tax	**13,259**	**1.2**	9,589	0.9	11,757	1.3	5,538	0.6
Property Tax	**3,700**	**0.3**	3,478	0.3	3,300	0.4	3,412	0.4
Grant-in-Lieu of Property Tax	**150**	**0.0**	154	0.0	150	0.0	155	0.0
Fuel Oil Tax - Diesel	**3,480**	**0.3**	3,263	0.3	3,263	0.3	3,077	0.3
Fuel Oil Tax - Other	**3,599**	**0.3**	3,710	0.4	3,710	0.4	3,721	0.4
Insurance Premium Tax	**2,037**	**0.2**	1,846	0.2	1,846	0.2	1,867	0.2
Tobacco Tax	**10,682**	**1.0**	10,937	1.0	10,937	1.2	11,127	1.2
Liquor Tax	**3,938**	**0.4**	3,785	0.4	3,708	0.4	3,637	0.4
	99,007	**9.0**	89,138	8.5	91,799	8.8	90,436	9.7
OTHER REVENUE								
Liquor Profit	**8,912**	**0.8**	8,201	0.8	8,236	0.9	7,547	0.8
Investment Income and Other Interest	**3,852**	**0.3**	2,950	0.3	2,650	0.3	3,122	0.3
Licences, Fees, Registrations and Permits:								
Motor Vehicle	**3,591**	**0.3**	3,591	0.3	3,591	0.4	3,935	0.4
Business and Professional	**2,467**	**0.2**	2,497	0.2	2,467	0.3	3,226	0.3
Lands, Mines and Forestry	**1,311**	**0.1**	1,729	0.2	1,036	0.1	2,329	0.2
Hunting, Fishing and Outfitting	**616**	**0.1**	616	0.1	616	0.1	661	0.1
Building Safety	**290**	**0.0**	525	0.1	290	0.0	511	0.1
Campground Permits	**306**	**0.0**	306	0.0	306	0.0	297	0.0
Land Titles	**240**	**0.0**	240	0.0	240	0.0	262	0.0
Other	**441**	**0.0**	447	0.0	469	0.1	508	0.1
Oil and Gas Resource Revenue	**115**	**0.0**	315	0.0	265	0.0	444	0.0
Land and Mineral Leases and Royalties	**187**	**0.0**	162	0.0	162	0.0	255	0.0
Fines	**408**	**0.0**	408	0.0	408	0.0	393	0.0
Gain on Sale of Land	**150**	**0.0**	150	0.0	150	0.0	1,389	0.1
Aviation Operations	**991**	**0.1**	991	0.1	952	0.1	826	0.1
Miscellaneous	**67**	**0.0**	67	0.0	87	0.0	79	0.0
	23,944	**2.2**	23,195	2.2	21,925	2.3	25,784	2.8
Subtotal Territorial Revenue	**122,951**	**11.1**	112,333	10.7	113,724	12.2	116,220	12.4
TRANSFERS FROM CANADA								
Canada Health Transfer	**26,611**	**2.6**	25,671	2.5	26,383	2.8	25,177	2.7
Canada Social Transfer	**11,678**	**1.1**	11,347	1.1	11,126	1.2	10,810	1.2
Other Transfers	**254**	**0.0**	249	0.0	249	0.0	8,182	0.9
Grant from Canada	**704,686**	**63.8**	653,142	62.5	653,142	69.9	611,707	65.4
Subtotal Transfers from Canada	**745,229**	**67.4**	690,409	66.0	690,900	73.9	655,876	70.2

BUDGETARY INCOME SUMMARY BY SOURCE (Cont'd)

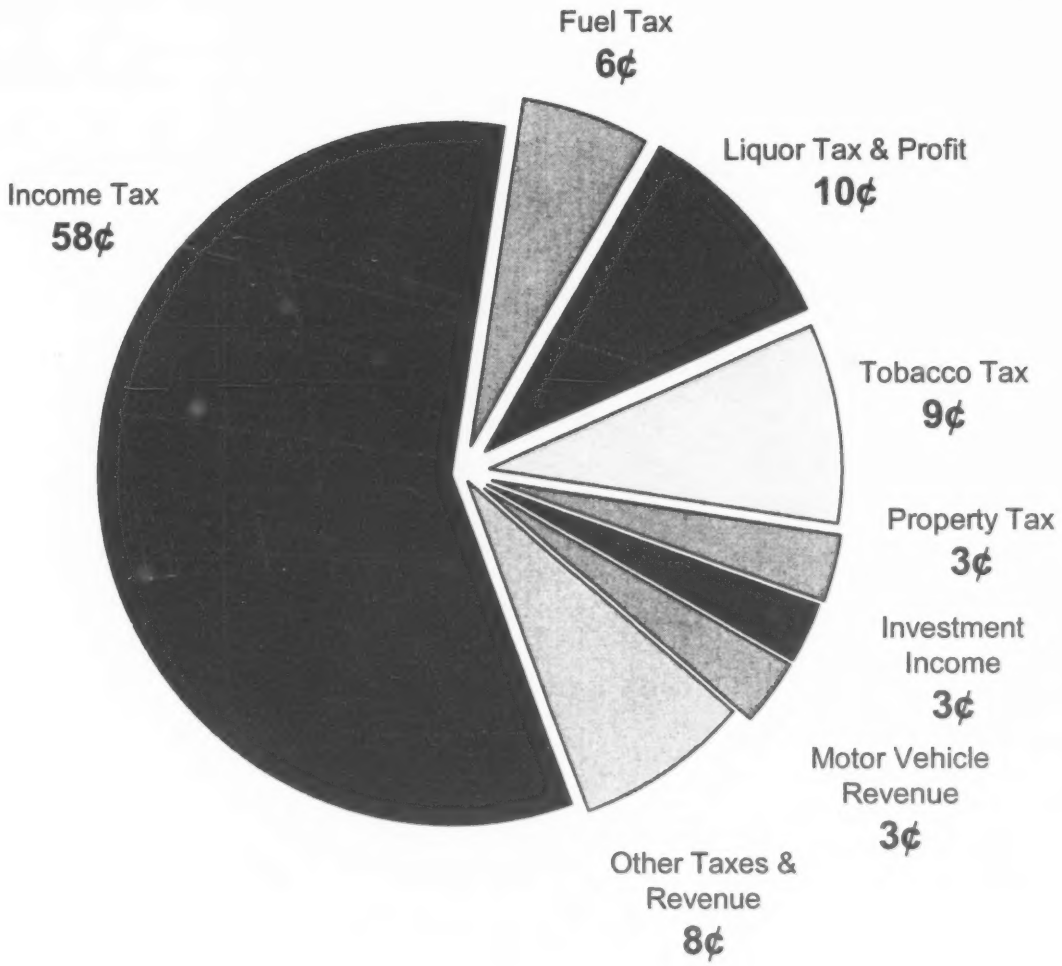
SOURCE	2011-12 ESTIMATE		Comparable 2010-11 FORECAST		2010-11 ESTIMATE		2009-10 ACTUAL	
RECOVERIES	**$000s**	**%**	**$000s**	**%**	**$000s**	**%**	**$000s**	**%**
Government of Canada								
Type II Mine Sites	**25,217**	**2.3**	31,855	3.0	39,290	3.7	20,576	2.2
Child Welfare	**7,557**	**0.7**	7,575	0.7	7,557	0.7	9,259	1.0
Yukon Housing Corporation	**6,627**	**0.6**	4,940	0.5	5,652	0.5	5,200	0.6
Labour Market Development Agreement	**4,916**	**0.4**	5,832	0.6	5,832	0.6	3,700	0.4
Land Claims Implementation	**3,011**	**0.3**	2,854	0.3	2,854	0.3	3,151	0.3
French Language Programs	**2,233**	**0.2**	2,203	0.2	2,143	0.2	2,213	0.2
French Language Services	**1,750**	**0.2**	1,750	0.2	1,750	0.2	1,750	0.2
Young Offenders	**1,302**	**0.1**	1,302	0.1	1,302	0.1	1,402	0.1
Inuvialuit Final Agreement	**985**	**0.1**	985	0.1	985	0.1	966	0.1
Legal Aid	**934**	**0.1**	934	0.1	934	0.1	981	0.1
Infrastructure Funding Programs								
Building Canada Fund	**45,486**	**4.1**	23,280	2.2	35,992	3.4	15,150	1.6
Affordable Housing Initiative	**5,357**	**0.5**	32,407	3.1	32,688	3.1	13,806	1.5
Other Infrastructure Funding	**6,412**	**0.6**	22,410	2.1	21,228	2.0	10,943	1.2
Other	**30,494**	**2.8**	39,826	3.8	24,098	2.3	19,864	2.1
	142,281	**12.9**	178,153	17.0	182,305	17.4	108,961	11.7
Third-Party Recoveries								
Alaska Highway (Shakwak)	**17,300**	**1.6**	12,200	1.2	10,000	1.0	21,230	2.3
Land Development	**41,921**	**3.8**	13,305	1.3	15,100	1.4	717	0.1
Yukon Housing Corporation	**17,581**	**1.6**	19,970	1.9	18,461	1.8	14,040	1.5
French Language Programs	**224**	**0.0**	224	0.0	224	0.0	212	0.0
Third-Party Health Care Costs	**3,594**	**0.3**	3,594	0.3	3,274	0.3	3,063	0.3
Canada Health Infoway	**2,279**	**0.2**	2,639	0.3	2,239	0.2	887	0.1
Airports	**1,597**	**0.1**	1,572	0.2	1,572	0.1	1,608	0.2
Other	**10,314**	**0.9**	11,392	1.1	10,544	1.0	11,929	1.3
	94,810	**8.6**	64,896	6.2	61,414	5.9	53,686	5.7
Subtotal Recoveries	**237,091**	**21.5**	243,049	23.2	243,719	23.2	162,647	17.4
TOTAL BUDGETARY INCOME [1] **(Total Territorial Revenue, Transfers from Canada and Recoveries)**	**1,105,271**	**100.0**	1,045,791	100.0	1,048,343	100.0	934,743	100.0

(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.

GOVERNMENT OF YUKON

TERRITORIAL REVENUE BY SOURCE

2011-12



NOTE: Represents the portion by source of each dollar of locally raised revenue.

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MAJOR TERRITORIAL AND PROVINCIAL TAX RATES
January 2011 [1]

	PERSONAL INCOME TAX			CORPORATE INCOME TAX			COMMODITY TAXES			
	BASIC RATE %	TAX BRACKETS (TAX ON INCOME) [2]	HIGH INCOME SURCHARGE % [3]	GENERAL RATE %	SMALL BUSINESS %	MANUFACTURING & PROCESSING %	RETAIL SALES % [4]	TOBACCO ¢/25 cigs	UNLEADED GAS ¢/litre	DIESEL FUEL ¢/litre
Newfoundland [5]	7.70	≤ $31,904	–	14.00	4.00	5.00	8.0	475.00	16.5	16.5
	12.50	$31,905 - 63,807								
	13.30	> $63,807								
Prince Edward Island [6]	9.80	≤ $31,984	10.0	16.00	1.00	16.00	10.0	561.25	15.8	20.2
	13.80	$31,985 - 63,969								
	16.70	> $63,969								
New Brunswick [7]	9.10	≤ $37,149	–	11.00	5.00	11.00	8.0	293.75	10.7	16.9
	12.10	$37,150 - 73,571								
	12.40	$73,572 - 120,796								
	12.70	>$120,796								
Nova Scotia [8]	8.79	≤ $29,590	–	16.00	4.50	16.00	10.0	538.00	15.5	15.4
	14.95	$29,591 - 59,180								
	16.67	$59,181 - 150,000								
	17.50	>$150,000								
Quebec [9]	16.00	≤ $39,060	–	11.90	8.00	11.90	8.5	265.00	16.2	17.2
	20.00	$39,061 - 78,120								
	24.00	> $78,120								
Ontario [10]	5.05	≤ $37,774	20.0/36.0	12.00	4.50	10.00	8.0	308.75	14.7	14.3
	9.15	$37,775 - 75,550								
	11.16	> $75,550								
Manitoba [11]	10.80	≤ $31,000	–	12.00	–	12.00	7.0	512.50	11.5	11.5
	12.75	$31,001 - 67,000								
	17.40	> $67,000								
Saskatchewan [12]	11.00	≤ $40,919	–	12.00	4.50	10.00 - 12.00	5.0	525.00	15.0	15.0
	13.00	$40,920 - 116,911								
	15.00	> $116,911								
Alberta	10.00	all income	–	10.00	3.00	10.00	–	500.00	9.0	9.0
British Columbia [13]	5.06	≤ $36,146	–	10.00	2.50	10.00	7.0	462.50	18.95	20.11
	7.70	$36,147 - 72,293								
	10.50	$72,294 - 83,001								
	12.29	$83,002 - 100,787								
	14.70	> $100,787								
Northwest Territories [14]	5.90	≤ $37,626	–	11.50	4.00	11.50	–	685.00	10.7/6.4	9.1
	8.60	$37,627 - 75,253								
	12.20	$75,254 - 122,345								
	14.05	>$122,345								
Nunavut [15]	4.00	≤ $39,612	–	12.00	4.00	12.00	–	525.00	10.7/6.4	9.1
	7.00	$39,613 - 79,224								
	9.00	$79,225 - 128,800								
	11.50	>$128,800								
Yukon	7.04	≤ $41,544	5.0	15.00	4.00	2.50	–	525.00	6.2	7.2
	9.68	$41,545 - 83,088								
	11.44	$83,089 - 128,800								
	12.76	>$128,800								

MAJOR TERRITORIAL AND PROVINCIAL TAX RATES
January 2011 [1]

Notes to Table:

(1) Rate changes may have occurred since the time of the survey (January, 2011). Reference should be made to each jurisdiction's Department of Finance to determine current rates or upcoming rate changes.

(2) Income tax brackets are indexed using the Consumer Price Index in New Brunswick, Saskatchewan, Northwest Territories, Nunavut, and Yukon.

(3) The following jurisdictions levy a surcharge on personal income tax: Prince Edward Island - 10% of provincial tax in excess of $12,500; Ontario - 20% of provincial tax in excess of $4,078 and 36% of provincial tax in excess of $5,219; Yukon - 5% of territorial tax in excess of $6,000.

(4) Provincial share of Harmonized Sales Tax for Newfoundland, New Brunswick, and Nova Scotia. British Columbia and Ontario moved to Harmonized Sales Tax July 1, 2010. Nova Scotia increased the provincial share of Harmonized Sales Tax from 8% to 10% on July 1, 2010.

(5) Newfoundland- Effective July 1, 2010 middle personal income tax bracket rate decreased from 12.8% and highest bracket decreased from 15.5%. Effective April 1, 2010 small business rate was reduced from 5%. Effective March 30, 2010 tobacco tax increased from 18 cents per cigarette to 19 cents per cigarette.

(6) Prince Edward Island - Effective April 1, 2010 small business rate was reduced from 2.1%. Tax rate for both gas and diesel includes 10.7% tax on the estimated wholesale price (to a maximum of 8.7 cents/litre). The flat rate component is 11.5 cents/litre for diesel and 7.1 cents/litre for gasoline, plus 10.7% *ad valorem* component. The tax rates change on the first day of each month. The rates listed above are for January 2011.

(7) New Brunswick - Effective January 2012 existing 4-rate personal income tax structure will be replaced by 2 rates: 9% & 12%. General corporate income tax rate will be lowered to 10% July 1, 2011.

(8) Nova Scotia - Small business rate was reduced from 5% effective January 2011.

(9) Quebec - Quebec Sales Tax increased from 7.5% on January 1, 2011. Tobacco tax increased on January 1, 2011 from 10.3 cents per cigarette to 10.6 cents. Gasoline and diesel tax will increase by 1 cent/litre on April 1 of each year until 2013. Gasoline rate includes 0.8 cent carbon tax; diesel rate includes 0.9 cent carbon tax.

(10) Ontario - Effective July 1, 2010 general corporate income tax rate decreased from 14%, small business rate from 5.5%, manufacturing & processing from 12%. General corporate income tax rate will be reduced to 11.5% on July 1 ,2011, to 11% on July 1, 2012 and to 10% on July 1, 2013.

(11) Manitoba - As of December 1, 2010 the small business income tax was eliminated. Effective March 23, 2010 tobacco tax increased from 18.5 cents to 20 cents per cigarette.

(12) Saskatchewan - Manufacturing and processing rate is a sliding rate based on proportion of manufacturing and processing activity occurring in Saskatchewan. Tobacco tax increased from 18.3 cents per cigarette to 21 cents on March 24, 2010.

(13) British Columbia - Effective January 1, 2011 general corporate income tax rate decreased from 10.5%. Fuel tax rates are for fuel on highways and include carbon tax rates of 4.45 cents for gas and 5.11 cents for diesel. Rates do not include regional taxes that increase the rates by 9 cents per litre in South Coast BC transportation service area and by 3.5 cents in the Capital Regional District.

(14) Northwest Territories - Two tax rates exist for gasoline - for highway usage (10.7 cents) and for off-highway usage (6.4 cents). The 6.4 cent rate applies for communities not on the highway system. Effective April 1, 2010 policies were implemented to ensure that tobacco tax rates will increase each year at the rate of inflation. Tobacco tax increased effective April 1, 2010 from 26.8 cents per cigarette to 27.4 cents per cigarette.

(15) Nunavut has the same two rate system for gas tax as the Northwest Territories. The same gas tax rates apply.

TOTAL EXPENDITURES BY DEPARTMENT / CORPORATION [1]

DEPARTMENT / CORPORATION	2011-12 ESTIMATE		Comparable 2010-11 FORECAST		2010-11 ESTIMATE		2009-10 ACTUAL	
	$000s	%	$000s	%	$000s	%	$000s	%
Yukon Legislative Assembly	5,947	0.5	5,730	0.5	5,730	0.5	5,527	0.5
Elections Office	1,013	0.1	491	0.0	432	0.0	321	0.0
Office of the Ombudsman	566	0.1	542	0.0	535	0.0	534	0.1
Child and Youth Advocate Office	466	0.0	417	0.0	417	0.0	211	0.0
Executive Council Office	23,310	2.1	23,540	2.1	23,816	2.2	21,319	2.1
Community Services	187,436	17.2	132,279	11.7	143,125	13.3	103,100	10.2
Economic Development	15,776	1.4	19,532	1.7	16,123	1.5	14,412	1.4
Education	145,388	13.3	147,354	13.1	141,488	13.2	130,268	12.9
Energy, Mines and Resources	61,988	5.7	75,283	6.7	80,095	7.4	56,536	5.6
Environment	29,013	2.7	36,130	3.2	28,629	2.7	29,743	3.0
Finance	7,638	0.7	7,429	0.7	7,271	0.7	6,677	0.7
Health and Social Services	267,386	24.5	265,190	23.5	235,748	21.9	257,271	25.6
Highways and Public Works	175,729	16.1	193,116	17.1	183,097	17.0	195,086	19.4
Justice	65,740	6.0	86,996	7.7	81,906	7.6	82,280	8.2
Public Service Commission	37,894	3.5	37,708	3.3	35,936	3.3	34,784	3.5
Tourism and Culture	22,035	2.0	25,474	2.3	22,830	2.1	23,483	2.3
Women's Directorate	1,777	0.2	1,816	0.2	1,754	0.2	1,135	0.1
Yukon Development Corporation	3,000	0.3	3,500	0.3	2,000	0.2	6,000	0.6
Yukon Housing Corporation	37,478	3.4	65,327	5.8	64,455	6.0	37,930	3.8
Yukon Liquor Corporation	one dollar	0.0	one dollar	0.0	one dollar	0.0	0	0.0
Total Expenditures	1,089,580	100.0	1,127,854	100.0	1,075,387	100.0	1,006,617	100.0

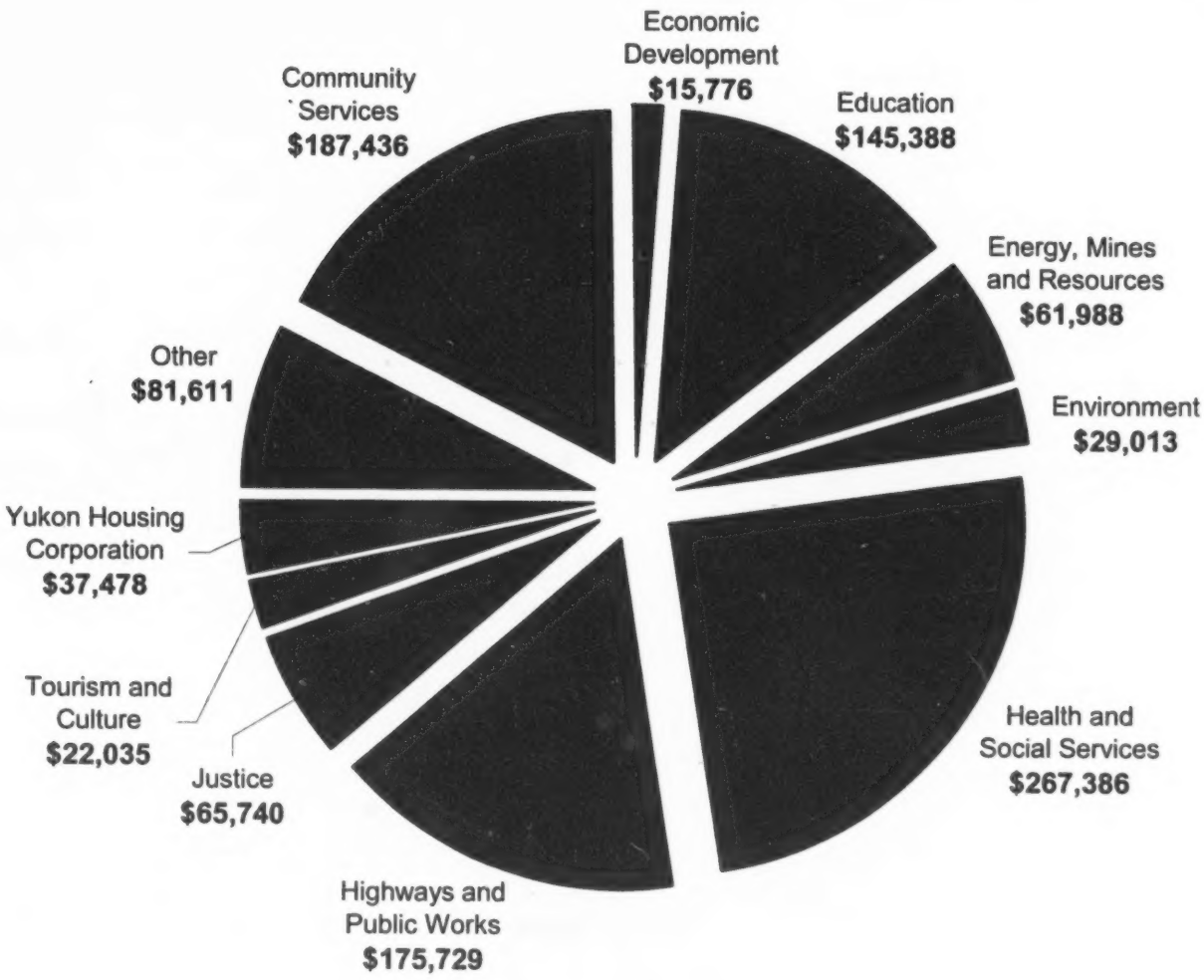
(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.

GOVERNMENT OF YUKON

O&M and CAPITAL EXPENDITURES BY DEPARTMENT

2011-12 BUDGET

$ THOUSANDS



"Other" includes Yukon Legislative Assembly, Elections Office, Office of the Ombudsman, Child and Youth Advocate Office, Executive Council Office, Finance, Public Service Commission, Women's Directorate, Yukon Development Corporation and Yukon Liquor Corporation.

OPERATION AND MAINTENANCE [1]
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION

DEPARTMENT / CORPORATION	2011-12 ESTIMATE		Comparable 2010-11 FORECAST		2010-11 ESTIMATE		2009-10 ACTUAL	
	$000s	%	$000s	%	$000s	%	$000s	%
Yukon Legislative Assembly	5,897	0.7	5,680	0.7	5,680	0.7	5,429	0.7
Elections Office	1,008	0.1	486	0.1	427	0.1	319	0.0
Office of the Ombudsman	561	0.1	537	0.1	530	0.1	532	0.1
Child and Youth Advocate Office	484	0.1	415	0.0	415	0.1	175	0.0
Executive Council Office	22,971	2.7	23,320	2.7	23,570	2.9	21,155	2.6
Community Services	67,976	8.0	68,208	7.9	66,155	8.1	66,417	8.2
Economic Development	14,250	1.7	16,288	1.9	13,813	1.7	13,279	1.6
Education	136,011	16.0	135,623	15.7	130,328	16.0	124,331	15.4
Energy, Mines and Resources	60,878	7.1	68,727	8.0	73,684	9.1	51,949	6.4
Environment	28,008	3.3	33,424	3.9	26,712	3.3	27,703	3.4
Finance	7,603	0.9	7,405	0.9	7,247	0.9	6,618	0.8
Health and Social Services	262,611	30.8	257,738	29.9	230,794	28.4	252,497	31.3
Highways and Public Works	111,142	13.0	109,902	12.7	105,645	13.0	104,574	13.0
Justice	53,623	6.3	54,667	6.3	53,139	6.5	56,278	7.0
Public Service Commission	37,863	4.4	37,641	4.4	35,879	4.4	34,699	4.3
Tourism and Culture	20,194	2.4	21,549	2.5	20,048	2.5	21,691	2.7
Women's Directorate	1,759	0.2	1,809	0.2	1,747	0.2	1,130	0.1
Yukon Development Corporation	3,000	0.4	3,000	0.3	1,500	0.0	2,250	0.0
Yukon Housing Corporation	16,044	1.9	15,721	1.8	15,578	1.9	15,293	1.9
Yukon Liquor Corporation	one dollar	0.0	one dollar	0.0	one dollar	0.0	0	0.0
Total Expenditures	851,863	100.0	862,140	100.0	812,891	99.8	806,319	99.7

(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.

CAPITAL [1]
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION

DEPARTMENT / CORPORATION	2011-12 ESTIMATE		Comparable 2010-11 FORECAST		2010-11 ESTIMATE		2009-10 ACTUAL	
	$000s	%	$000s	%	$000s	%	$000s	%
Yukon Legislative Assembly	50	0.0	50	0.0	50	0.0	98	0.0
Elections Office	5	0.0	5	0.0	5	0.0	2	0.0
Office of the Ombudsman	5	0.0	5	0.0	5	0.0	2	0.0
Child and Youth Advocate Office	2	0.0	2	0.0	2	0.0	36	0.0
Executive Council Office	339	0.1	220	0.1	246	0.1	164	0.1
Community Services	119,460	50.3	64,071	24.1	76,970	29.3	36,683	18.3
Economic Development	1,526	0.6	3,244	1.2	2,310	0.9	1,133	0.6
Education	9,377	3.9	11,731	4.4	11,160	4.3	5,937	3.0
Energy, Mines and Resources	1,110	0.5	6,556	2.5	6,411	2.4	4,587	2.3
Environment	1,005	0.4	2,706	1.0	1,917	0.7	2,040	1.0
Finance	35	0.0	24	0.0	24	0.0	59	0.0
Health and Social Services	4,775	2.0	7,452	2.8	4,954	1.9	4,774	2.4
Highways and Public Works	64,587	27.2	83,214	31.3	77,452	29.5	90,512	45.2
Justice	12,117	5.1	32,329	12.2	28,767	11.0	26,002	13.0
Public Service Commission	31	0.0	67	0.0	57	0.0	85	0.0
Tourism and Culture	1,841	0.8	3,925	1.5	2,782	1.1	1,792	0.9
Women's Directorate	16	0.0	7	0.0	7	0.0	5	0.0
Yukon Development Corporation	0	0.0	500	0.2	500	0.2	3,750	1.9
Yukon Housing Corporation	21,434	9.0	49,606	18.7	48,877	18.6	22,637	11.3
Total Expenditures	237,717	100.0	265,714	100.0	262,496	100.0	200,298	100.0

(1) Restated 2010-11 Forecast, 2010-11 Estimate and 2009-10 Actual to be consistent with the 2011-12 Estimate presentation.

MAIN ESTIMATES

HISTORICAL COMPARISON

($000s)

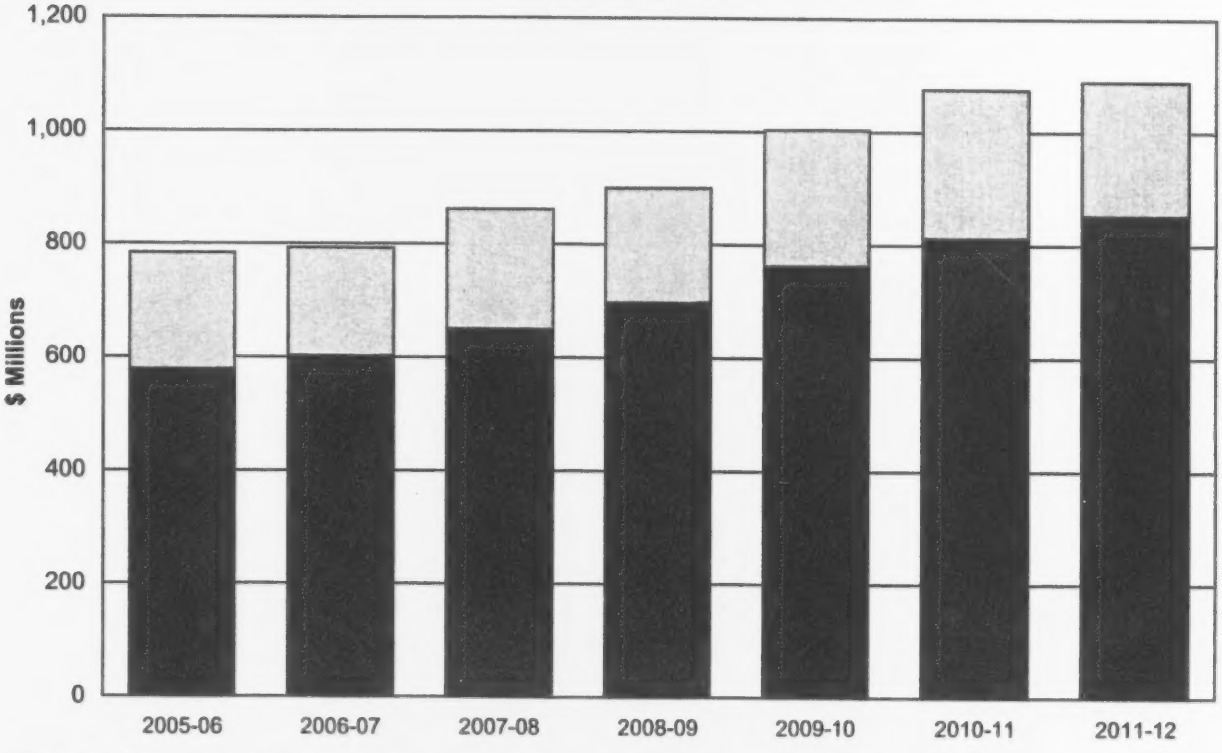
	OPERATION & MAINTENANCE	CAPITAL	TOTAL
2011-12	**851,863**	**237,717**	**1,089,580**
2010-11	811,886	263,516	1,075,402
2009-10	762,613	240,618	1,003,231
2008-09	696,978	202,777	899,755
2007-08	649,406	212,328	861,734
2006-07	601,301	191,702	793,003
2005-06	577,663	206,420	784,083
2004-05	543,104	162,654	705,758
2003-04	451,326	98,693	550,019
2002-03	446,635	118,177	564,812
2001-02	428,188	106,963	535,151

Note: These figures reflect the voted expenditures as per the estimates for the relevant year and have not been restated for purposes of comparison.

GOVERNMENT OF YUKON

O & M and CAPITAL EXPENDITURES

2005-06 TO 2011-12



NOTE: These figures reflect the voted expenditures as per the Main Estimates for the relevant year and have not been restated for purposes of comparison.

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